

# EIT InnoEnergy

## STRATEGIC AGENDA

### 2021-2027

The EIT – Making Innovation Happen

European Institute of Innovation and Technology (EIT)

Eindhoven | 26 April 2021

[www.eit.europa.eu](http://www.eit.europa.eu)



The EIT is a body of the European Union



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# 1 EXECUTIVE SUMMARY

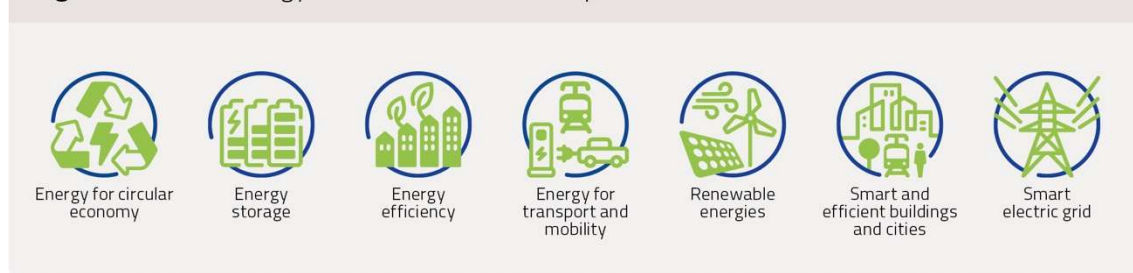
EIT InnoEnergy' vision is to **be the leading engine for innovation and entrepreneurship in sustainable energy** by leveraging the potential of the knowledge triangle: higher education, research, and industry.

EIT InnoEnergy operates three business lines: (1) the **Education Programmes**, which create and accompany the future **game changers** in sustainable energy; (2) the **Innovation Projects**, which focus on producing incremental and disruptive technological innovations; (3) the **Business Creation Services**, where we nurture **innovative early-stage start-ups and grow small enterprises** in sustainable energy. These business lines are supported and enabled by the **management and operations** activities. In the cross KIC context EIT InnoEnergy is leading the **Cross – KIC Human Capital** initiative, cross – KICs shared services and contributes to five others cross KIC activities.

**EIT RIS countries are since 2014 mainstream.** EIT InnoEnergy activities are indistinctively deployed across Europe. **40% of EIT InnoEnergy investments have been channelled to Spain, Portugal, Poland, and other EU – 12 countries as beneficiaries.**

All our activities focus on **thematic fields**: Smart Electric Grids, Energy Storage, Smart and Efficient Buildings and Cities, Energy for Circular Economy, Renewable Energies and Energy for Transport and Mobility. These evolve with the energy market transition and are fully aligned with the **European Union Energy Strategy**, the **NECP (National Energy and Climate Plans)** and the **new European Green Deal**.

**Figure 1.** EIT InnoEnergy Thematic Fields, as in September 2020.

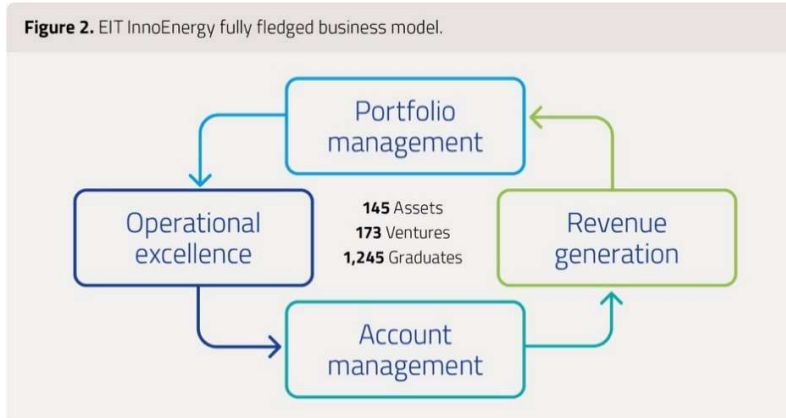


EIT InnoEnergy Unique Value Proposition consists in boosting innovations with **added value services** on **10 dimensions**: **team assessment, access to finance, market analysis, technology development, growth, industrialisation, regulation, IP, Governance, and outreach.** Deploying this integrated approach to our portfolio makes the business case bigger, happen earlier and de-risking.

In **exchange for these added value services** EIT InnoEnergy **acquires a discounted equity position** in the innovators' companies, or a return on sales. This is a proven business model, where we exit from our investments and re-invested the proceeds in new innovations.

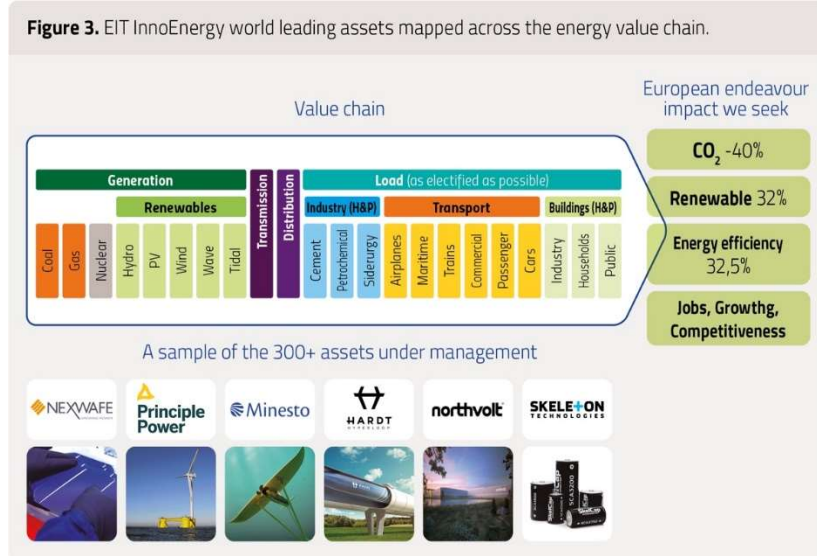
**The EIT InnoEnergy business model, illustrated below, explains the virtuous cycle “selection -> investment -> value creation -> portfolio management -> revenue generation.”**

This “double funnel” business model has been evolving over the years towards **a fully-fledged commercial model**, 90% completed, in 2021.



EIT InnoEnergy has a financial interest in over 300 innovations. Five of them are world leaders, mapped to the energy value chain and with their contribution to the EU 2030 decarbonization agenda and to SDGs 5,7,8,9,11,12 and 13:

- **Wind Float:** The first offshore floating platform of that size (3\*8MW) being able to be dispatched more than 5000 hours per year (i.e., 1 year = 8760 hours).
- **Minesto:** The #1 stream energy converter, operating under sea level, and harvesting the unlimited energy in the subsea currents. By 2026 this technology will be close to today's grid parity, therefore unlocking an unlimited base load supply.
- **Hardt Hyperloop:** The foreseen impact is the ability to ground 51% of the short haul flights in Europe and substitute them by travelling at 800km/h in the hyperloop.
- **NorthVolt:** EIT InnoEnergy first industrial Unicorn in our portfolio, with key contribution to electromobility, enabling the evolution from internal combustion engine cars into electric cars.
- **Skeleton:** The #1 ultracapacitor technology in the world, which serves needs ranging, from KERS (Kinetic Energy Recovery) in all moving assets, frequency control in grids, coupling in renewable generation sources, thus enabling a higher penetration of renewables.



All these CAPEX intensive innovations, are European, contribute heavily to the societal challenge in the three-energy related impact KPI, are second to none in the world, are industrial (they have transformed an industrial supply chain) and bring a competitive edge to Europe.



EIT InnoEnergy strategy for the period 2021-2027 is to continue contributing to EU30 goals, by designing, developing, and deploying commercially viable innovations that tackle the energy, societal and economical challenges. The results will be 10 world leading companies with sales of 100M€/year; 50 CXO positions covered by EIT InnoEnergy alumni and a top transatlantic player supporting over 100 start-up landings per year.

The prospective impact cumulated by 2027 is displayed, summarised in EITInnoEnergy impact dashboard, with the **economic, social, and environmental impact** KPIs defined.

Figure 4. Forecasted cumulated impact by 2027 of the EIT InnoEnergy portfolio of assets.



### EIT InnoEnergy diversity and gender strategy

EIT InnoEnergy is committed to take action to promote more diversity in our teams, starting with one of its elements: the gender equality. EIT InnoEnergy has taken some long-term commitments in the implementation of this strategy: (1) **at least 40% representation** of women in all junior, midlevel, and senior positions by the year 2027; (2) **adopt** a 30% target for women’s representation as **supervisory board members** by 2027; (3) **Modernize** policies to support flexible work hours, telecommuting, working part-time etc.; (4) **Promote** and facilitate the exchange of the benefits of diversity, best practices and knowledge-sharing where possible.

EIT InnoEnergy **financial sustainability** is demonstrated in the actuals, forecasted for 2020 and planned Return of Investment (ROI), based on the signed 300+ term sheets:

Figure 5. EIT InnoEnergy Financial Sustainability plans (M€).

	ACTUALS			FORECAST	PLAN								Total (21-27)
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
8 EIT funding expected (Corona excluded)	78	87	91	82	54	48	40	35	25	25	25	254	
1.1 Income by ROI of I-Project/MC (Net)	00,8	4,8	5,79	6,5	10	14	24	49	59	69	79	304	
1.2 Income by equity exits (Net)	0,8	2,1	5,1	6	10	19	22	25	40	60	80	256	
2 Education (Gross)	0,5	1,1	1,7	2,7	3	4,2	5,2	6,2	7,2	7,2	7,2	40	
3 Consulting and services (Gross revenue)	0,3	0,9	1,9	1,8	2	5	6	7	8	8	8	46	
4 Membership fees (Net)	2,8	2,4	4,3	3	3	4	4	4	4	4	4	27	
5 Alternative funding	0	0	0	0	2	0	0	1	2	3	4	10	
6 Sum of EIT InnoEnergy own revenues	5,2	11,3	18,79	20	30	46,2	61,2	92,2	120,2	151,2	182,2	683	
7 Total KAVA budget (EIT + InnoEnergy)*	83,2	98,3	109,79	102	84	94,2	101,2	127,2	145,2	176,2	207,2	937	
8 EIT funding expected (Corona excluded)	78	87	91	82	54	48	40	35	25	25	25	254	
10 EIT FS coefficient (6/8)	7%	13%	21%	24%	64%	96%	153%	263%	481%	605%	729%		
11 New FS coefficient (8/7)**	94%	89%	83%	80%	64%	52%	40%	28%	17%	14%	12%		

\* Co-funding from other sources excluded.  
\*\* New FS coefficient (8/7) which could make more sense: How much of the new funds (EIT and own EIT InnoEnergy) come from the EIT.



# 2 STRATEGIC ANALYSIS OF THE SOCIETAL CHALLENGE

## 2.1 EIT InnoEnergy and Societal Challenges

EIT InnoEnergy addresses the same societal challenges in the context of its 2021-2027 strategic Innovation Agenda (SIA), as the following global initiatives in addressing societal challenges:

- (i) **The Paris agreement on climate change**, signed by 195 countries in the COP21 (Conference of the Parties -2015), where the society (citizen) at large was exposed massively (media huge coverage) to a problem that so far was pretty much limited to the institutional and business spheres: if we continue the economic growth with the same parameters we have been using since the pre-industrial levels.

The signatory parties acknowledge that the climate *human induced* change -global warming- is creating a threat for human life in our planet; and that CO<sub>2</sub> (and GHG – Green House Gas Emissions at large) is one of the key parameters to control.

EIT InnoEnergy is qualifying investments with three parameters, one of them being the CO<sub>2</sub> abated, since day one of operation.

- (ii) The same year 2015, all the countries of the United Nations agreed on the **2030 Agenda for Sustainable Development**, with the 17 SDGs and its 169 objectives, **of which #7 (Affordable and clean energy), #8 (Economic Growth), #11 (sustainable cities and communities), #13 (Climate Action), # 4 (Quality in education), #12 (Responsible production and consumption) and #9 (Industry, Innovation and Transformation) are fully aligned with and served by EIT InnoEnergy strategy and mission.**

EIT InnoEnergy has been mapping since 2018 how the supported assets are contributing to the 17 SDG and will continue to do so. An example is provided at point 2.2.

- (iii) The European Commission **Green Deal** at the core of the next five years **(2021-2025), not only** reinforcing fighting against climate change, **but also** using the “green economy” as the engine for growth and job creation for Europe. The EU recovery Package (Next Generation EU) mobilizes at least **30% of the discussed 750B€ for Green Deal related activities.**

EIT InnoEnergy is active in the energy transition areas where it is tackling the following key societal challenges:

- **Energy and Climate:**
  - decrease the GHG emissions.
  - decrease cost of energy (i.e., focusing on renewables deployment as the most affordable technology, so lowering the LCOE -Levelized Cost Of Energy).
  - increase the operability of the energy system (i.e. storage is the game changer here)



- **Economy and societal**

- job creation (or maintenance)
- growth
- increase **competitiveness** of the European value chains.

because sustainable energy must be a vector of value creation and resilience, like captured in the political strategy laid out by this Commission in the Green Deal.

By addressing these global societal challenges EIT InnoEnergy aims to deliver impact in the following areas:

1. Economic impacts (Economic growth and competitiveness)
2. Social impacts
3. Environmental impacts

Whilst ensuring the EIT InnoEnergy long term sustainability objective and demonstrating the viability of the model of the EIT as an instrument enabling the Knowledge Triangle Integration.

This has provided a clear and concise template for operations to contribute to the outlined societal impacts and are aligned with the main Pillars, Clusters, and goals of the Horizon Europe programme related to Energy. The figures below highlight the cumulative results to date with current assets, from 2010 to date and planned impact to 2027.

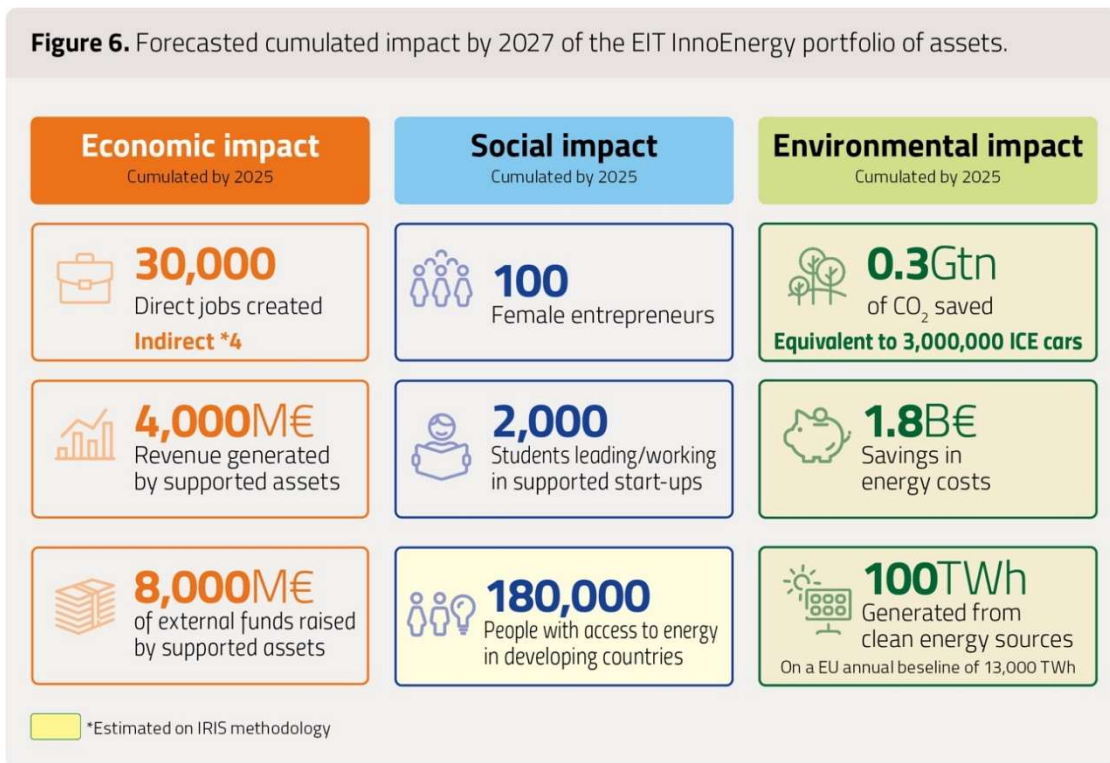


Figure 6 reflects the contribution of EIT InnoEnergy supported ventures to the strategic objectives (in white background is audited numbers whereas the yellow background is the projected impact based in 25 years of operation (as set by the IRIS methodology).



EIT InnoEnergy measures them quantitatively (thus monitoring our contributions to these goals) in the **company impact dashboard** which is EIT InnoEnergy driving compass at the highest level of the company; complemented by **financial sustainability** (-monitored through the P&L -annual revenues- and balance sheet -equity value-) and the **Knowledge Triangle integration** liquidity, as a measure of the ecosystem strength.

EIT InnoEnergy is formally identified as one of the instruments to operationalize the EU policies, based on its track record and integration in the EU landscape.

This formal mandate is a recognition that since 2010, EIT InnoEnergy strategic objectives have been aligned with the EU objectives; and for the next period 2021-2027 the organisation strategic objectives continue being aligned with the 2030 EU climate objectives.

## 2.2 Mapping of EIT InnoEnergy portfolio assets to the SDGs

EIT InnoEnergy maps its portfolio of supported ventures to the **SDGs** (Sustainable Development Goals) as well as to the '**Green Deal**' goals.

Below a sample of 32 supported ventures mapped to the SDGs and Green Deal goals. The analysis was prepared for the application to the European Innovation Council (EIC) Green Deal call of May 2019. EIT InnoEnergy supported ventures success rate has been of **16%** vs 2% for the total European wide applicants. It serves as an example of the future operational processes that will be undertaken in the 2021-2027 period.



Country		European Green Deal objectives								Economic, sustainability, governance Impact						
Company		EGD 1	EGD 2	EGD 3	EGD 4	EGD 5	EGD 6	EGD 7	EGD 8	SDG 6	SDG 7	SDG 8	SDG 9	SDG 11	SDG 12	SDG 13
1	UK/IT ACT BLADE															
2	LV AERONES															
3	SE Cascade Drives															
4	SE C-Green															
5	SE CorPower Ocean															
6	PT CWJ															
7	NL FLEXIDAO															
8	SE GraphMaTech															
9	NL Hardt Hyperloop															
10	DK HELIAC ApS															
11	EST Hepta															
12	PT Heaboo															
13	DE Instagrid															
14	DE Koenatec															
15	FR NAWA															
16	DE NEXWAFE															
17	DE Pionierkraft															
18	FR POLY TO POLY															
19	ES Reciclaia															
20	ES RECIRCULA															
21	FR ROSI															
22	EST Skeleton															
23	ES Smartive															
24	NL SolarDew															
25	DE Solarworx															
26	ES STEMY															
27	FR Sylfen															
28	DE VoltStorage															
29	DE Vulcan															
30	FR WATTALPS															
31	ES X1WIND															
32	FR Glowee															
33	FR HySiLabs															

Figure 1: EIT InnoEnergy current asset mapping related to strategic objectives

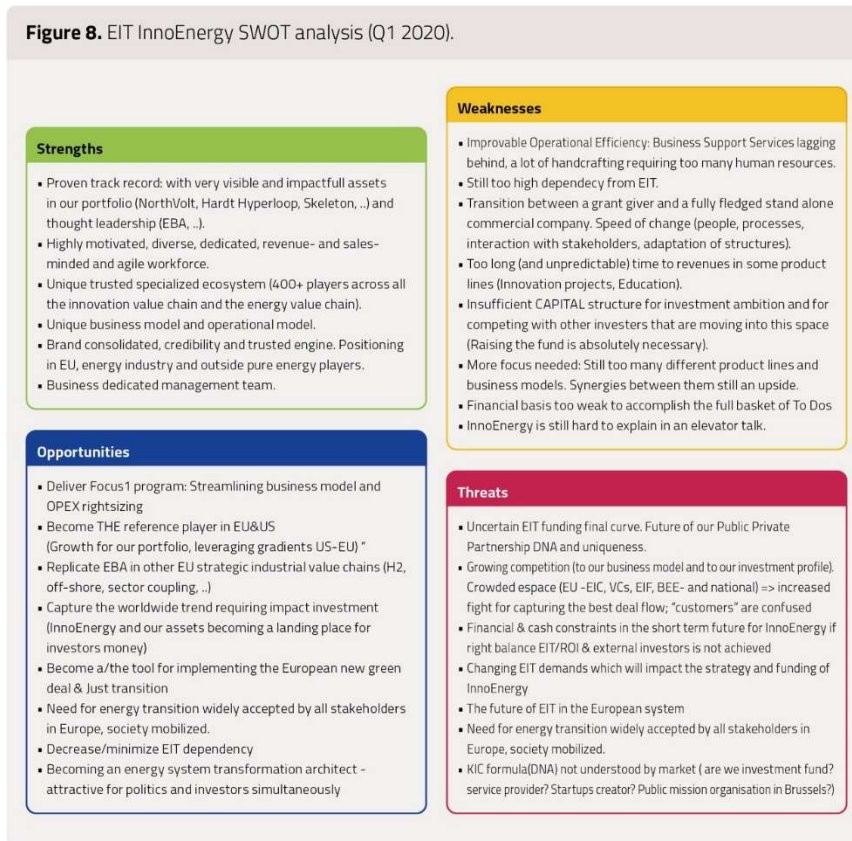


EIT InnoEnergy strategy for the period 2021-2027 is to continue contributing to EU30 goals, by designing, developing, and deploying commercially viable innovations that tackle the energy, societal and economical challenges as we have done over the past 10 years.

## 2.3 SWOT analysis

- The first column is the SWOT done by the Executive Board of the company in January 2020.
- The second column is the SWOT done by the Supervisory Board of the company in March 2020.
- The numbers highlight in red are the top 3 of each cluster.

Figure 8. EIT InnoEnergy SWOT analysis (Q1 2020).



### Some analysis concluded in the Supervisory Board meeting that took place in March 2020:

- The Supervisory Board top 3 and the Executive Board top 3 per cluster are the same, meaning that the **Governance and executive level of the company are extremely well aligned.**
- The **strengths** are **structural**, developed over the last 9 years of operations; and we can build upon them.
- The SWOT depicts a **company more and more streamlined**, where all assessments from, S, W, O or T are fewer and more core.
- There are many **opportunities** in many areas (only the Green deal areas are manyfold), and these opportunities will be there for the **next decade.**
- The internal **weaknesses** are being addressed as we have gone along, with special relevance of the **capital structure** to fulfil our dreams, which requires **additional focus.** Some ambitious ideas to approach that challenge were discussed in the meeting.
- The **external threats** are constantly observed and reacted upon.

# 3 VISION, MISSION AND STRATEGIC OBJECTIVES

## 3.1 KIC's vision

EIT InnoEnergy vision is:

“To be the leading engine for innovation and entrepreneurship in sustainable energy”.

## 3.2 KIC's mission

EIT InnoEnergy defines its mission as:

“To build and manage a sustainable, long-lasting operational framework amongst the three actors of the knowledge triangle in the energy sector: industry, research, and higher education, while ensuring that the integration of the three is more efficient and has a higher impact on innovation (talent, technology, companies) than the three standing alone”.

EIT InnoEnergy translation of the knowledge triangle integration is “the trusted ecosystem” which includes businesses, universities, and research organisations, complemented by consumers, investors, and public and governmental organisations.

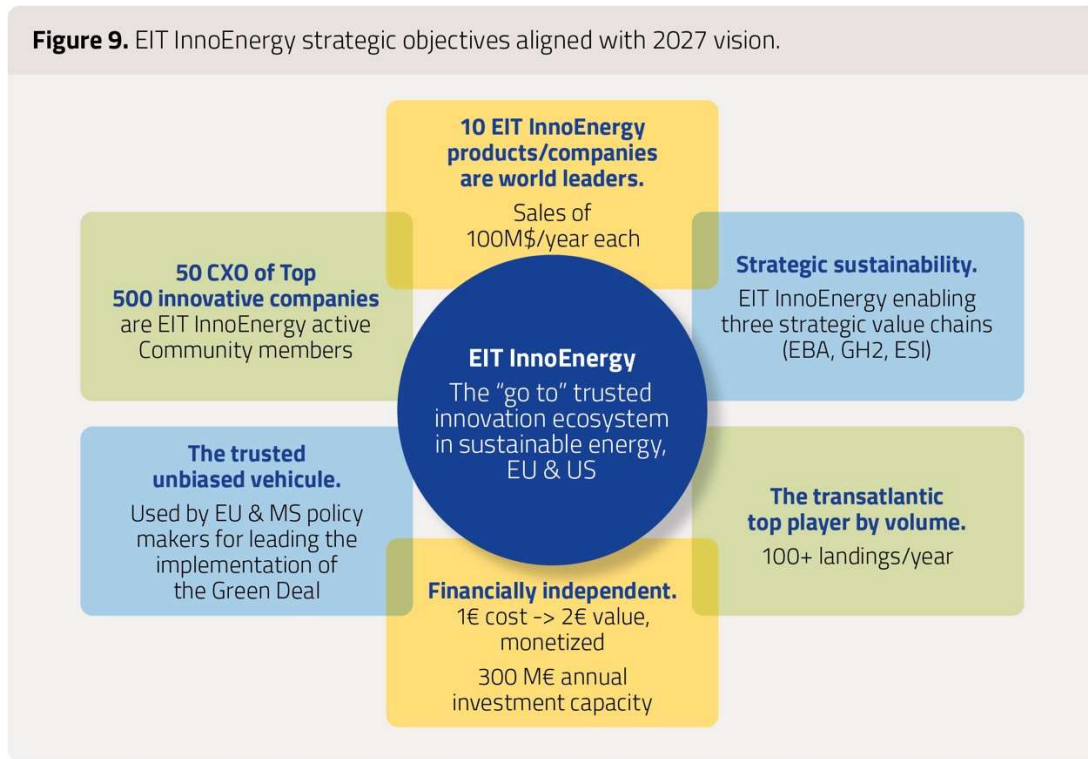
EIT InnoEnergy, with the other KICs, have demonstrated that **innovation is vastly different** compared to research (and compared to commercial activities); and requires **different parties involved** [research institutes, universities, industry, public administration, financial institutions, regulators], **different dynamics** [not only project based interactions, but ambitions in a given sector], **different management** [from project or deal bilateral management to management of dynamics based on societal challenge goals] and **different values** [trust is key in InnoEnergy ecosystem].

## 3.3 Strategic objectives

EIT InnoEnergy has defined its strategic objectives for the period 2021-2027 in-line with its vision and mission as outlined in the graph below:



**Figure 9.** EIT InnoEnergy strategic objectives aligned with 2027 vision.



The “Go To” trusted innovation ecosystem in sustainable energy both for the EU and the US. Over the last nine years EIT InnoEnergy have built and have been managing a trusted ecosystem (500+ partners from all across the value chain, supply chain, incumbents and challengers, from 21 different countries and as many regulatory frameworks, from all the energy carriers, with indirect access to 150M energy consumers).

(1) The goal is to become the preferred “go to” trusted ecosystem for those impact minded innovators in the EU and US by 2027. For the absence of any doubt, the RIS countries are fully covered by our European strategy.

EIT InnoEnergy invest more than 40% of its yearly resources in partners of RIS countries, covering Spain, Portugal, Italy, and the newest MS – 12.

- *The trusted unbiased vehicle used by the EU & Member States policy makers for leading the (early mover) implementations of the Green Deal.* Over the last nine years (i) EIT InnoEnergy have delivered on the mandate that the EU gave us in 2010 (e.g. “Do innovation differently, and do different innovation, making positive impact on the Energy transition”, “Accelerating Clean Energy Innovation”); (ii) The approach has been inclusive of most of the other EU instruments (e.g. Commission services, EIB) and are accepted as an added value contributor to the political goals (e.g. electro mobility, re-industrialization of Europe), also progressing at Member State level; (iii) public private partnership construction has been identified first as the perfect bridge between the public world and the private world, then as the common ecosystem where all are equal members and now as a blueprint—especially EBA- of the European industrial strategy-; (iv) EIT InnoEnergy have a multidisciplinary approach (e.g. the branded diamond six dimension approach to innovation is recognized in Brussels and has been broadly inherited by the EIC), a systemic approach (e.g. all the value chain, not just one step) always looking for more impactful approaches; (v) EIT InnoEnergy are contributing more and more to policy



design and deployment (e.g. European Battery Alliance, Business Investment Platform, European Green Hydrogen Acceleration Centre, European Solar Initiative).

The goal up to 2027 is to consolidate and improve that position and become the trusted unbiased vehicle of the European Commission, Parliament and Member States for spearheading the role of innovation in the NEW opportunities emanated from the Green Deal and the EU recovery package. EIT InnoEnergy will also engage with other EU institutions: EIB, EIF, EIC and EU missions on Climate Neutral and Intelligent Cities and Batteries European Partnership Association and similar European Institutionalized Partnerships.

**(2) Financially independent.** Over the last nine years EIT InnoEnergy have invested in 450 innovative business cases, of which 300+ assets going strong, and already in 2020 one hundred and forty (140) of those are contributive in terms of return on investment (cash), with a landing revenue in 2019 of 18,7M€ (doubling from 2018), meaning that the assets are valuable AND are able to monetize the value in these assets. There are several facts from 2019/20 which are highlighted:

- EIT InnoEnergy launched the Alfa Asset program, with the ambition to replicate the success of NorthVolt in 22 other assets of the portfolio. The progress has been effective, and the objective for 2020 is to increase the value of these assets from 62M€ to 100M€. The forecasted contribution of these 22 assets, in terms of cash returns for InnoEnergy, in the period 2021-2027, is more than 700M€ (see chapter 5).
- The reaction of the company in supporting the survival of our portfolio ventures during the COVID -19 Crisis has accelerated the development of the strong need of asset management, earlier than planned. The company has put the support to the assets at the core, we have delivered beyond expectations, the customer (the assets) is highly appreciative of these services, and learnings have been internalized.
- The audited Financial statements 2019 show a sharp increase of the equity position of the company, more than doubling, and only contributed by 17 of them (out of the 300 in the EIT InnoEnergy portfolio). This shows that the intrinsic value of the assets, which are normally enter when the risk is high, does unlock when they go public, or they do rounds B and C successfully. The equity represents the in-built value to be monetized in the future, which de-risks InnoEnergy financial sustainability.

The goal until 2027 is to reach a financial model, all product lines blended [those money making (e.g. Highway, Innovation Projects, ...) and those breaking even (e.g. Master School since all the surplus will go to the Universities)] of 1€ cost incurred, 2€ value created AND monetized. The target investment capacity managed by EIT InnoEnergy by 2027 is an annual run rate of 300M€ coming from 100M€ from the net proceeds of our previous investments, 100M€ from managing revolving third-party facilities (Impact Fund, green bonds, convertibles, ...) and 100M€ (grants and/or financial instruments) coming from the EU since we will remain a key enabler of the Energy transition and Green Deal. For the period 2021-2027, the assumptions presented in chapter 5.

**(3) Expand geographically the EIT InnoEnergy ecosystem to the US: The transatlantic top player by volume.** EIT InnoEnergy is the **biggest (in terms of volume) accelerator in Sustainable Energy in the western world.** EIT InnoEnergy have developed a structural relationship with Bill Gates different organizations (Gates Ventures, Breakthrough Energy, ...), which are highly interested in supporting Europe in our leadership of the Energy Transition.



**(4) The goal up to 2027 is 100+ supported ventures landings, cumulated, in both US and the EU, capitalizing on our efforts and strategic alliances.**

For the absence of any doubt, the RIS countries are fully covered by our European strategy. EIT InnoEnergy invest more than 40% of yearly resources in partners of RIS countries, so do not have a special RIS strategy because RIS countries are core to the overall strategy.

**(5) Secure a long-term strategic sustainability: EIT InnoEnergy enabling 3 strategic value chains.**

The SWOT analysis performed by both the Supervisory Board and the Executive Board in 2020, the replication of EBA (European Battery Alliance) has scored as one of the highest opportunities for EIT InnoEnergy.

The goal up to 2027 is to replicate EBA in 2 other strategic industrial value chains (i.e., Green H2, PV reborn in EU, Hyperloop, Building refurbishment, Clean Steel Production.)

**(6) 10 EIT InnoEnergy assets\* (products/companies) are world leaders**, (e.g., branded as **powered by EIT InnoEnergy**) **Sales of 100M\$/year each**. The goal of EIT InnoEnergy is to create **positive impact in sustainable energy** (by reducing the energy costs, increase the operability of the energy system and decrease the GHG emissions) and **in the economy** (create or maintain jobs, increase competitiveness of the European industry, growth). The **best proxy** for these objectives is products/companies that sell (because that means there is a buyer which has made its choice amongst many other competitive offers and has preferred “ours”), and that sells big (100M\$/year threshold) because then they would be **world leaders** and **have the critical mass to make a massive impact**.

**(7) Secure a culture of systemic innovation based on individuals (game changers), beyond institutions and political/regulatory tempos: 50 CXO of TOP 500 Innovative companies are EIT InnoEnergy active Community members.** EIT InnoEnergy has a strong focus on **human capital** as the corner stone of a new way of doing innovation, and consequently of the ecosystem. EIT InnoEnergy have been concentrating on special segments (e.g. MSc School) with some **1500 graduated game changers** –from 42 different nationalities, equipped with unique tools to change the game if they so wish; **several of them are already CXO** of key organizations (i.e. Engie) or of their own start-ups (i.e. Flexidao). When these game changers reach positions (e.g. CXO) in the key players in the energy sector, then the culture of how to do innovation would change **systemically**, and in exchange these game changers, in their management positions, they will favor and use instruments like EIT InnoEnergy (again a win-win symbiosis).

(8) EIT InnoEnergy RIS activity is strategically laid in the form of a centralized network of a central KIC activity management unit, and local operational arms constructed on partnerships under the form of EIT InnoEnergy Hubs.

Since 2018 EIT InnoEnergy has established a network of partners in twelve countries – Bulgaria, Croatia, Greece, Estonia, Hungary, Lithuania, Latvia, Romania, Serbia, Slovakia, Slovenia and Turkey integrated in an operational unit (the Power Alliance).

All of them are aimed in delivering the EIT and have been selected according to the three main fundamental criterions for partnership selections in EIT InnoEnergy Strategy 2021-2027:

Criterion 1: Geographical proximity.

Criterion 2: Ecosystem type, amount of innovation activities and current position in the European Innovation Scoreboard.

Criterion 3: Indications of existing S3 priorities related to Sustainable Energy area



EIT InnoEnergy Hubs fulfil the role of local arm of KICs – in this case EIT InnoEnergy - acting between our KIC and the local innovation and energy actors.

The HUBs are responsible for engaging actors from the Local Ecosystems, but also for mobilizing and internationalizing of the local networks and facilitating the InnoEnergy efforts in fostering Knowledge Triangle Innovation (KTI). According to the current standing, the EIT InnoEnergy HUB's responsibilities/tasks are as follows: scouting (ventures, innovation projects, industry, investors, universities), building cases, positioning InnoEnergy in local eco-systems, active participation in all InnoEnergy events (TBB, Power Up! etc.), business development/sales.

EIT InnoEnergy is able to reach the ultimate target and successfully engage with the regional actors and to establish partnerships aimed at KTI innovation model in Research & Innovation, who are also resulting in product and service development, technology transfer, social innovation, developing links and synergies between innovation actors, supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production of key enabling technologies and diffusion of general purpose technologies.

**The ambition is that through our multi-annual and annual plans we deploy actions to fulfill these strategic objectives maintaining the current governance and a lean management and operational layer.**

The outline of the vision, mission, and strategic objectives above is largely framed to 2027.

EIT InnoEnergy this vision, enabled by the **trusted Innovation ecosystem is a unique, will be preserved, enhanced, and grown to 2027 and beyond.**





# 4. IMPACT AND RESULTS

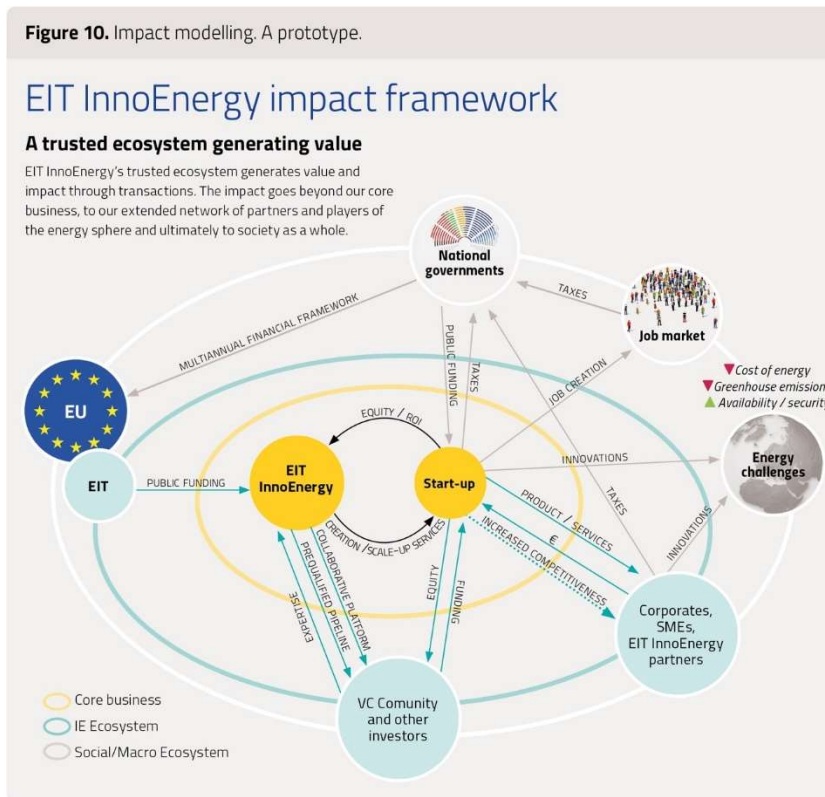
## 4.1 Impact

In the definition of the impact and results of EIT InnoEnergy uses the following four hypotheses:

1. There is a “U” shape COVID -19 crisis recovery, with Q42021 GDP in EU countries at same level as pre-Corona.
2. Half of the 30% Green Deal Next Generation EU related investments go to medium term structural changes [100B€]

These assumptions are fully linked to the impact and results and commitments undertaken in the SIA. Any substantial deviation on any of these factors will **immediately trigger** an update of the SIA pledges.

EIT InnoEnergy has been developing over the years a methodology to “measure” impact, based on the VNA model.



Which highlights the:

- **Impact in the energy sector in three variables:** decreasing the cost of energy; increasing the operability and security of the energy system; and decreasing the GHG emissions.



- **Impact in growth and competitiveness:** Job (maintenance) and creation; Increase competitiveness of European industry; and Tax collections (TVA, income tax)

For “counting” the impact we use the **IRIS methodology** [*IRIS is the catalogue of generally accepted performance metrics that leading impact investors use to measure social, environmental, and financial success, evaluate deals, and grow the sector’s credibility*], which is an initiative of the **GIIN** [*Global Impact Initiative Network*].

A detailed outline of the EIT InnoEnergy impacts is presented in Annex I of this document.

To create the aggregated contribution of our assets to the impact KPIs is an annual exercise of consolidation of the bottom-up collection of data.



**Figure 11.** EIT InnoEnergy strategic objectives, impact KPIs 2027, and SDG goals served.

KIC Strategic Objective	Problem/ issue related to the societal challenge	Impact KPIs	Targets to be achieved by 2027*	Relevant UN SDG Targets	Source of verification <sup>1</sup>
<b>Social Impact</b>					
Increase jobs created & jobs maintained	Green Growth	# New direct jobs created & jobs maintained (indirect multiply by 4)	30,000	8	Business cases (actuals and forecast) from EIT InnoEnergy assets portfolio
		# female entrepreneurs	100	5	
		# students working/leading new ventures	2,000	4.8	
		# people with new access to energy	180,000	1, 7, 10	
<b>Economic Growth and competitiveness</b>					
Increase Competitiveness European Energy Value Chain(s)	Green Growth	Revenue generated by supported assets (M€)	4,000	8	Business cases (actuals and forecast) from EIT InnoEnergy assets portfolio
Increase economic growth (GDP)	Green Growth	Investments raised by supported assets (M€)	8,000	8.9	
<b>Sustainable Energy</b>					
Decrease cost of energy	Energy efficiency, Energy affordable	M€ saved by substituting existing technologies by InnoEnergy assets	1,800	7, 9, 11, 12, 13	Business cases (actuals and forecast) from EIT InnoEnergy assets portfolio
Increase operability energy system	Penetration of renewable	TWh of renewable energy deployed based on EIT InnoEnergy innovations	100	7, 9, 11, 12, 14	
Decrease GHG emissions	Reduction of GHG emissions	GigaTons of CO <sub>2</sub> abated by deployment of InnoEnergy assets	0.3	7, 9, 11, 12, 15	
<b>Knowledge Triangle Integration</b>					
Increase Knowledge triangle liquidity	Increase Knowledge triangle liquidity	Students as manpower in I-Projects and ventures	3,000		Business cases (actuals and forecast) from EIT InnoEnergy assets portfolio
		# students working/leading new ventures	2,000		
		Ventures partners in I-Projects or span out of I-Projects	60		
<b>EIT InnoEnergy Sustainability</b>					
Secure Strategic sustainability	Strategic sustainability	# partners in managed trusted ecosystems	1,000		Business cases (actuals and forecast) from EIT InnoEnergy assets portfolio
Secure Financial sustainability	Financial sustainability	Revenue generated by EIT InnoEnergy (M€) - audited	512		
Secure Operational sustainability	Operational sustainability	Equity position from Balance Sheet (M€) - audited	1,600		
		Opex/Budget [%]	14%		

This dashboard is the result of a bottom-up aggregation where all EIT InnoEnergy assets under management have a business case, expanding normally between 5 and 10 years depending on the maturity of the asset, where it can be found:

- The prospective revenues of the asset (which is underpinned by the # of products sold), the FTE (Full time employees) they are going to have, the investments they are going to raise.
- The product description, with its LCOE (Levelized Cost of Energy), the CO<sub>2</sub> abated (if it is the case) and the COGS (Cost of Goods Sold)

## 4.2 Results

EIT InnoEnergy, as a company, is measuring its performance versus the strategy and the objectives that are at the foundation of the industrial plan. This is formalized through the scoreboard of EIT InnoEnergy.

The InnoEnergy scoreboard builds upon five ultimate goals (column “end game”), four (4) external and one (1) internal: Impact in **Talent & Job Creation**; Impact in **Economic growth and Competitiveness**; Impact in **Innovation in Sustainable Energy**; Impact by **Knowledge Triangle Integration** of the InnoEnergy innovation model; and **InnoEnergy (operational and financial) sustainability (internal)**.

The EIT InnoEnergy dashboard is detailed into the following Annual KPI targets:



**Table 1.** Annual KPI targets.

Code EITHEO	KPIs	2021	2022	2023	2024	2025	2026	2027	Total
1.1	#Designed/Tested Innovations	32	32	40	40	40	40	40	264
1.3 EITRIS	EIT RIS Designed/Tested Innovations	Please include the target (% of the above KPI) for the period.							15%
1.4 EITRIS	#EIT RIS Countries - Designed/Tested Innovations	Please include the target (% of the above KPI) for the period.							50%
2.1	#Marketed Innovations	55	60	60	60	60	60	60	415
2.2 EITRIS	EIT RIS Marketed Innovations	Please include the target (% of the above KPI) for the period.							15%
2.3 EITRIS	#EIT RIS Countries – Marketed Innovations	Please include the target (% of the above KPI) for the period.							50%
3.1	#Supported Start-ups/Scale-ups	77	77	90	90	90	90	90	604
3.2 EITRIS	EIT RIS Start-ups/Scale-ups Supported	Please include the target (% of the above KPI) for the period.							50%
3.3 EITRIS	#EIT RIS Countries – KIC supported Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period.							15%
4.1	#Start-ups created of/for innovation	3	3	3	3	3	3	3	21
4.2 EITRIS	#EIT RIS Start-ups created of/for innovation	Please include the target (% of the above KPI) for the period.							50%
4.3 EITRIS	#EIT RIS Countries – Start-ups created of/for innovation	Please include the target (% of the above KPI) for the period.							50%
5.1	#Start-ups created of EIT labelled MSc/PhD prog.	7	6	6	6	6	6	6	43
5.2 EITRIS	#EIT RIS Start-ups created of EIT labelled MSc/PhD prog.	Please include the target (% of the above KPI) for the period.							15%
5.3 EITRIS	#EIT RIS Countries – Start-ups created of EIT labelled MSc/PhD prog.	Please include the target (% of the above KPI) for the period.							15%
6.1	Investment attracted by KIC supported Start-ups/Scale-ups (M/Euros)	400	600	800	1000	1000	1000	1000	5800
6.2 EITRIS	Investment attracted by KIC supported EIT RIS Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period.							15%
6.3 EITRIS	# EIT RIS Countries – Invest. attracted by KIC supported EIT RIS Start-ups/Scale-ups	Please include the target (% of the above KPI) for the period.							15%
7.1	#Graduates from EIT labelled MSc/PhD programmes	182	250	275	300	325	350	350	2032
7.2 EITRIS	# EIT RIS Graduates from EIT labelled MSc/PhD programmes	Please include the target (% of the above KPI) for the period.							15%
7.3	% of Graduates in same disciplines from partner HEIs	30%	30%	30%	30%	30%	30%	30%	30%
8.1	#Participants in (non-degree) education and training	51,410	50,000	50,000	50,000	50,000	50,000	50,000	351,410
8.2 EITRIS	# EIT RIS Participants with (non-degree) education and training	Please include the target (% of the above KPI) for the period.							15%
9.1	# EIT labelled MSc/PhD students and graduates who joined Start-ups	40	40	40	40	40	40	40	280
9.2 EITRIS	# EIT RIS EIT labelled MSc/PhD students and grad. who joined Start-ups	Please include the target (% of the above KPI) for the period.							15%
10.1	# Active KIC Partners	400	400	450	450	450	450	450	Avg. 435
10.2 EITRIS	# EIT RIS Active KIC Partners	Please include the target (% of the above KPI) for the period.							15%
10.3 EITRIS	# EIT RIS Countries – Active KIC Partners	Please include the target (% of the above KPI) for the period.							15%
11.1	FS revenues	30	46.2	61.2	92.2	120.2	151.2	182.2	683.2
11.2	% FS coefficient	64	96	153	263	481	605	729	15%
12.1	% Co-funding rate	50%	40%	30%	20%	10%	10%	10%	
13.1	# KIC success stories	20	20	20	20	20	20	20	140
13.2 EITRIS	# EIT RIS Success stories	Please include the target (% of the above KPI) for the period.							15%
13.3 EITRIS	# EIT RIS Countries – Success stories	Please include the target (% of the above KPI) for the period.							15%
16.1	# HEIs involved in EIT and KIC activities	40	40	40	40	40	40	40	40
16.2	# RIS HEIs	Please include the target (% of the above KPI) for the period.							15%
16.3	# HEIs involved in the new HEI Action (No included in target for EITHE 14.1)	5	10	10	11	15	15	15	81
16.4	# RIS HEIs	Please include the target (% of the above KPI) for the period.							15%

# 5. GOVERNANCE AND OPERATION MODEL

## 5.1 Partnership

The guiding principles ruling the EIT InnoEnergy partnership are summarized as follows:

- (a) A balanced representation of research, higher education, and business in the **shareholding** structure.
- (b) Clear segregation of duties at the shareholder, the governance, the operational and the beneficiaries' level;
- (c) Central Business Line strategies and Thematic Field Roadmaps are operationalized at the local level by EIT InnoEnergy Co-location Centers (where EIT InnoEnergy SE always holds majority of shares and therefore the control if the legal structure is a company and not a branch);
- (d) Fully open partnership for activity partners, beneficiaries of the KIC funding.

### *EIT InnoEnergy ownership: Legal structure*

On the stable foundation of the shareholder structure of the **23 EIT InnoEnergy shareholders**, well balanced across the knowledge triangle, the shareholding base of InnoEnergy continues to evolve through an open, inclusive, and consultative process, where **prospective shareholders** are actively targeted based on their strategic fit and contribution to the strategy of the company. EIT InnoEnergy is a company, and the ownership and strategy reside in the shareholders.

EIT InnoEnergy has been able to attract new shareholders to the ownership structure (3 in 2019, 1 in 2020), even if those had to pay 1600K€ for one share in 2020, where the initial shareholders had paid 10K€. For the next 7 years, EIT InnoEnergy will continue to attract openly and transparently key institutions and capital for making our strategic sustainability more robust. To ensure openness and transparency EIT InnoEnergy sources its shareholders via different channels but all must meet the following criteria:

- Demonstrate capacity and capability to further EIT InnoEnergy strategic objectives and add complementary representation to the 'knowledge triangle'
- Acknowledged Leadership in the energy sector, or the strong aspiration to become an acknowledged leader in the energy sector, or any other sector of relevance to the energy sector;
- Demonstrated and recognized High innovation acumen.
- Strategic intent aligned with the UN SDG;
- A commitment to participate in the KIC activities, where feasible
- Demonstrate the capacity to pay the cost of a share in a given year, upon execution of the transaction.

It is important to state that before becoming a shareholder of EIT InnoEnergy a due diligence process is performed by EIT InnoEnergy to validate all the criteria listed above. The form thereof - and whether or



not external parties are involve din such due diligence - is dependent on the circumstances at hand. As part of such due diligence EIT InnoEnergy may perform desktop research, exploratory talks with a potential shareholder, ask for documents, etc.

Following such due diligence, the actual accession process for a potential shareholder (i.e. the process to be accepted by the existing shareholders of EIT InnoEnergy and consequently to obtain one share in EIT InnoEnergy) contains various checks and balances (as per the General Partnership Agreement and / or the Articles of Association of EIT InnoEnergy):

- the price for which potential new shareholders are able to obtain one share in EIT InnoEnergy is set for each year by EIT InnoEnergy's Supervisory Board in accordance with a calculation method validated by an external auditor;
- a potential shareholder needs to (timely) issue a formal letter expressing its interest in becoming a shareholder, explaining its added value to the consortium, etc., etc.;
- a potential shareholder needs to be positively recommended, via a recommendation letter by the existing shareholders of the co-location to which the potential shareholder will be linked after its accession;
- the potential shareholder will have to enter into an accession agreement, dealing with the price, its commitment to pay an annual membership fee, conditions precedent, etc. prior to its accession;
- Out of a quorum of  $\frac{3}{4}$  of the existing shareholders a normal majority needs to vote positive for the accession of the potential shareholder in a general assembly supervised by a Dutch civil law notary; and
- Following a positive vote in the General Assembly, the actual share transfer is be executed by a Dutch civil law notary, requiring various documents to identify the acceding shareholder in compliance with various rules and regulations, including these on money laundering and the prevention of terrorism.

*EIT InnoEnergy Partnership:* EIT InnoEnergy publishes regularly open calls. *Partners accede to EIT InnoEnergy partnership by answering to the open call and proposing innovative activities that upon meeting the eligibility, assessment and evaluation criteria become part of the KIC Business plan. The accession to our partnership is fully open, does not require to pay any fee, except if the partner seeks to receive the services posted in the Web site and refereed in this SIA in chapter "3.5".*

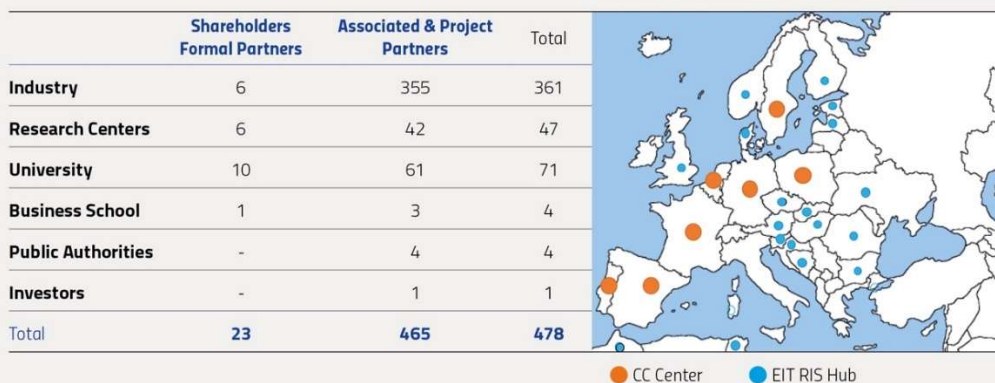
*Evolution since 2010:*

In the early days the distribution of Universities, RTOs and business was approx. 1/3 each, whereas along the years it has become a more fair, although still unbalanced, representation of the number of Universities, public RTOs and businesses in the European playground (*out of the close to 1000 Universities EIT InnoEnergy has 71 [7%]; out of the 350 RTOs represented by EARTO EIT InnoEnergy has 47 [14%] and out the roughly 180.000 SMEs and business in energy EIT InnoEnergy has 349 [0,2%]*). This trend continuing, with more and more businesses coming into the ecosystem.

The partner base of EIT InnoEnergy has continued to grow during the past years to a current number of 500+ active, spanning **21 EU countries**, proving the healthy and **totally open** environment, actively managed by 6 CLCs and 13 EIT RIS Hubs.

EIT InnoEnergy publishes regularly open calls. Partners accede to EIT InnoEnergy partnership by answering to the open call and proposing innovative activities that upon meeting the eligibility, assessment and evaluation criteria become part of the KIC Business plan. EIT InnoEnergy ecosystem of partners is wider that the one factualized in the next chapters, since we only include in the information those that are also vetted by the EIT, but there are many others, which do not receive any funding (i.e., InnoEnergy VC community members, today north of 60 partners) which are not in the information provided.

**Figure 12.** EIT InnoEnergy partnership in December 2019.



**Table 2.** EIT InnoEnergy partnership growth strategy.

	2021	2022	2023	2024	2025	2026	2027
#CLCs	6	6	6	6	6	6	6
#EIT RIS Hubs	10	10	10	11	11	11	11
#Number of partners <sup>1</sup>	23	26	26	26	100	100	100
#Number of project partners <sup>2</sup>	464	510	561	618	618	618	618
#Partners from EIT RIS countries	144	158	174	192	192	192	192

From 2022 onwards EIT InnoEnergy will be executing a full cascading model for EIT grant disbursement. This relationship will be managed via Internal Agreements where the provisions of the Partnership Agreement and the Grant Agreement will be enforced to the grant beneficiaries.

In the evolution of the KIC – it is expected that only a fraction of the partners will become subgrantees as the EIT grant amount is expected to diminish in the coming years.

## 5.2 Governance

EIT InnoEnergy is compliant with the *“Principles of good Governance”* issued by the EIT. It has proven an enabler for the execution of the strategy. EIT InnoEnergy’s Code of Conduct, publicly available on our website, is applicable since July 2013 when it was approved by the Supervisory Board and sequentially endorsed by the General Assembly. It applies to all individuals involved in KAVA activities, no matter affiliation of the individual.

### *EIT InnoEnergy Governance*

Our governance is the same as for any commercial company, and is laid down in our bylaws (Article of Association and GPA -General Partnership Agreement-), with only three bodies:





The **General Assembly**, where the **shareholders** (owners of the company) meet

Formally every June for:

1. approving the financial statements of the previous year
2. Appointing/Dismissing Supervisory Board members
3. Taking resolutions on **company framework** (not on operations per se) as per the GPA (General Partnership Agreement)
4. Sanctioning the strategic evolution of the company proposed by the Supervisory Board

Extraordinarily when the matters require.

The **Supervisory Board (of continental style)**, where the members, **appointed/dismissed by the General Assembly**, meet at least 4 times a year (lately every two weeks because of Corona), for:

- Approving the Business Plan for the upcoming year, and its targets
- Supervising the implementation of the Business Plan and give guidance to the Executive Board.
- Proposing evolutions of the company strategy to the shareholders, upon proposal from the Executive Board
- Appointing/Dismissing the CEO

The Supervisory Board DOES NOT get involved in operational decision (clear separation of duties). There are 3 subcommittees: Remuneration, Audit, Investment.

The **Executive Board**, led by the CEO, with 9 members, out of which two women, meeting every month, for:

- Running the operations
- Securing the targets for the year and for the upcoming periods
- Securing the implementation of the Business Plan
- Proposing evolutions of the strategy to the Supervisory Board

### ***Supervisory Board***

Over the years there have been changes to the individual members of our InnoEnergy governance and management bodies – Supervisory Board/, Executive Board and Co-Location Centers – However the structure itself including the balanced representation across the knowledge triangle integration and the assurance of segregation of duties, has been preserved.

The healthy evolution of the Supervisory Board membership, and of its structural sub-committees (Audit, Equity Authorization, Remuneration) along the years has been seamless, as well as the Heads of each sub-committee. In 2021, there are 8(eight) independent board members, out of the 12 SB members in total. EIT InnoEnergy will ensure that at least 50% of the SB members are independent, at all times, including by 2022 and onwards. In June 2021 we would have 3 of them being women, and will keep on progressing further as soon as vacancies occur.

Since 2021, EIT InnoEnergy has formally adopted a Diversity and Inclusion Plan where relevant targets and actions are included and a monitoring and reporting mechanism is in place.

**Figure 13.** Evolution of the Supervisory Board membership in EIT InnoEnergy.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current Affiliation	Current (2020) Committees - Head +			
													CHAIR/VICE	HIC (3)	AUDIT (3)	REN (3)
CC Sweden		RW*				KE					SÖ	HE				
				MC					HM		Vacant	Independent				
CC Benelux			SR									Independent		**		
				DvB						DD		Independent			**+	
CC Germany												HE/RTO	**			**+
					WM						AW	Independent				**
CC Poland												Independent				
												Independent				**
CC France												Independent	**+			**
												IND				
CC Iberia												HE				**
												Independent				
Observer												HE				

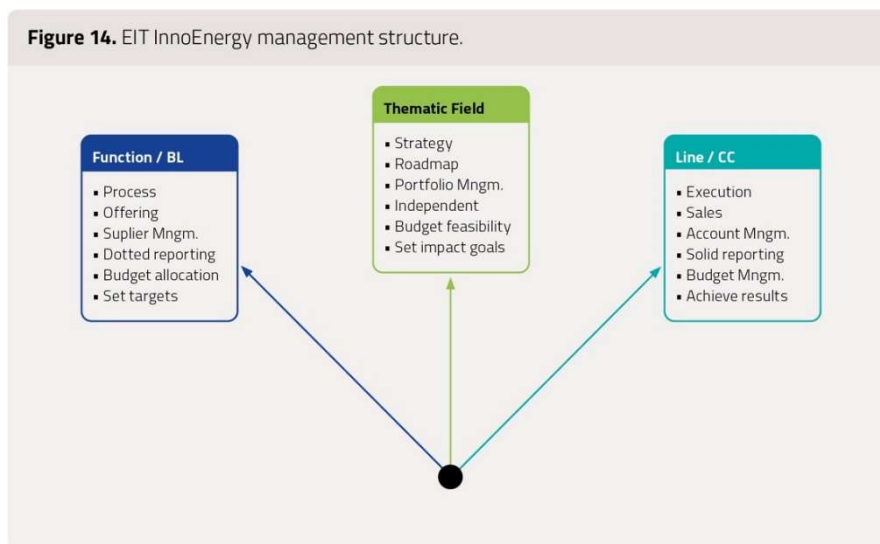
\*Initials of the members of the Supervisory Board

*EIT InnoEnergy operational management structure*

As far as **executive and operational management is concerned**, the underlying management structure of the company continues and will continue to consist of three layers, each with a distinctive and very clear role in the InnoEnergy value chain, as illustrated below:

- A pan-European **Thematic Field** layer, led by the six Thematic Field Leaders, out of which two women, where strategies for each respective field are created and translated into roadmaps, and where the innovations are actively hunted, assessed, and selected through the centrally managed innovation selection processes, in line with the aforementioned selection criteria.
- A **centralized functional management** layer, known as the KIC SE or EIT InnoEnergy SE, led by functional managers, where business lines (Education and Business Creation) as well as management and operations functions (finance, legal, ICT, marketing) define and implement functional strategies, business models and processes, set targets for financial and operational performance, and disseminate best practices. EIT InnoEnergy has seen great success with the current structure and does not plan to expand the number of CLC in the 2021-2027 period.

**Figure 14.** EIT InnoEnergy management structure.



- A **local Co-Location Center (CC) execution management** layer, led by six colocations CEO's, out of which one woman, responsible for:
  1. The **account management** of key InnoEnergy partners, relationship management with all other local partners and stakeholders within the geographic boundaries of the Co-Location,
  2. EIT InnoEnergy Hubs are managed by a CLC in-line with the geographical or thematic association. This has proved to be a successful formula, enabling a high level of involvement of EIT RIS countries. EIT InnoEnergy will continue with this strategy in the 2021-2027 period.
  3. The management, execution and supervision of pan-European innovation programs across education, innovation and business creation, where the (leading) partner or entrepreneur is located with the Co-Location geography.
  4. Generating the revenues that secures the financial sustainability by transacting as per the streams described in later in this section.
  5. EIT InnoEnergy SE owns and controls its CLC 100% - **delegating day to day management to regional CEOs.**
  6. And all of it with a **"Think Global, Act Global"** approach

For absence of any doubt in EIT InnoEnergy there is ONE strategy and ONE annual business plan (not the aggregation of as many business plans as CLCs)

### *Antifraud activities*

EIT InnoEnergy has a dedicated antifraud policy that applies to all its staff and partners. Additionally, the KIC takes part in cross-KIC working groups to continually train and update these policies for future activities.

### *EIT InnoEnergy diversity and gender strategy*

EIT InnoEnergy is committed to ensure an equal representation at all levels of the company, and in particular management, supervisory, and executive roles. EIT InnoEnergy commits to ensuring a gender



balance in these roles at at least one third level. Further, geographical, and professional backgrounds will play an important role in ensuring diverse decision making at all levels.

EIT InnoEnergy is committed to take action to promote more diversity in our teams, starting with one of its elements: the gender equality. EIT InnoEnergy has taken some long-term commitments in the implementation of this strategy: (1) **at least 40% representation** of women in all junior, midlevel, and senior positions by the year 2027; (2) **adopt** a 30% target for women's representation as **supervisory board members** by 2027; (3) **Modernize** policies to support flexible work hours, telecommuting, working part-time etc.; (4) **Promote** and facilitate the exchange of the benefits of diversity, best practices and knowledge-sharing where possible.

Against these targets EIT InnoEnergy has already made significant progress in these three three dimensions: (1) EIT InnoEnergy own staff: 51% of the KIC staff are females. Their distribution differs across company levels; (2) EIT InnoEnergy Governance: by June 2021, 3 of the 12 Board members (by June 2021) are women. As soon as vacancies will open because of end of terms of the current SB members, we will progress further. Likewise, in the Executive Board, the first vacancy (CEO InnoEnergy France) has been filled by a woman; (3) Students in our Master Programs: We have a healthy 31% of women in the intake 2020, from low 10% in the past, so progress there is also factual.

### 5.3 Budget

Since 2010 all the investments done by EIT InnoEnergy have a Return of Investment (ROI) agreement signed between the beneficiary of the investment and EIT InnoEnergy. EIT InnoEnergy only invests in (business) cases where the delivered innovation (technological, social or business model) will have a potential impact in one of three energy KPIs (decrease cost of energy, decrease GHG emissions and increase the operability of the energy system) with subsequent expected socioeconomic impact in three main KPIs (creation or maintenance of jobs, growth and increase of European competitiveness).

In purely financial terms EIT InnoEnergy is a risk investor, so these ROI agreements are only “called” when the innovation is successful, so we have a logic of risk sharing and success sharing. This principle is applied to all our investments and is very clear and welcome by the partners of the ecosystem.

EIT InnoEnergy manage 12 sources of revenue/resources that support seamlessly our activities. Described below are the 9 most relevant examples. It should be noted that revenues are Half of the contributor to the financial sustainability, the other HALF is the value in EIT InnoEnergy's balance sheet of the equity positions (and ROIs), which represent the future value to be monetized. Underneath we explain all the **sources** EIT InnoEnergy manages, **highlighting whether they contribute to our financial sustainability, and whether they are NET (no cost associated) or GROSS (cost associated):**

#### **Source 1: Ecosystem [fees per partner] & new shareholders [Net contributor to EIT InnoEnergy financial sustainability]**

Under the EIT InnoEnergy General Partnership Agreement (GPA), partners of EIT InnoEnergy are obliged to make annual contributions in cash. In 2018 we evolved the relation between the partners from a legal one (as in the GPA) to a commercial one, with the same underlying “financial contributions” but linked to a “value of the ecosystem” deal rather than a legal relation. The “Membership benefit program”, as it is called now, is depicted below:



This source of revenue from Formal Partners is 100% implemented since 2010 through the signed GPA and will continue in the period 2019-2022 in this new format. With the current membership/partnership at the different levels, we have recurrent cash contributions (3-4M€) per year, which cover, as of today, 35% of our OPEX run rate needs. The partners retention rate is 90%

The forecast of this revenue stream is based on:

- an increase of shareholders/platinum (till 35 at the end of the period)
- an increase of associated partners/gold+/gold (till 50 at the end of the period).
- a plateau of commercialization partners/silver at 100 per year

**Source 2: Partners own contribution (co-funding). [Does not contribute to EIT InnoEnergy financial sustainability]**

EIT InnoEnergy is leveraging the EIT grant with other resources mobilized by our partners. Other resources are either partners' own resources (additional cash, or in-kind in forms of staff, labs, infrastructures, tangible and intangible assets) or resources of third parties which are managed by the partners (regional, national or EU financial support – funding or financing).

*This source of resources/revenue is 100% implemented since 2011 through the Activity Agreements signed between EIT InnoEnergy and the activity partners and will continue expanding in volume.*

**Source 3: EIT grant (With the assumptions of section 4) [Net contributor to EIT InnoEnergy financial sustainability]**

While the EIT grant as seed fund has been and is a *sine qua non* both for our current and near future operations, EIT InnoEnergy is already complementing it with other sources of revenue/investment. This development is reflected, started in 2017, by a decreasing proportional contribution of the EIT grant to EIT InnoEnergy budget.

*This source of revenue is 100% implemented through the annual Grant Agreement since 2010.*

**Source 4: ROI on investments in Innovation Projects [Net contributor to InnoEnergy financial sustainability]**

For Innovation projects the ROI strategy of EIT InnoEnergy is based on *Revenue sharing*: EIT InnoEnergy gets (1% - 5%) of the product selling price each time the commercialization partner sells the innovative product or service developed in the EIT InnoEnergy project.

The current ROI rules state that in Innovation Projects, EIT InnoEnergy requests by default 5 times its investment if the project successfully delivers a competitive product or service that is adopted successfully by the market. This multiplier changes (up or down) depending on the risk profile of the project. Each ROI agreement is revisited at 3 different timelines of the innovation project.

In the aggregated table we EIT InnoEnergy show the ROI based **forecasted revenue** for the **ROI agreements** signed. As we can see the ROI starts increasing significantly because the sales of the commercially mature innovations start to pick up, which is normal in the maturity of our portfolio. Please let's not forget that the "time to full deployment" of any energy product is between 7 and 15 years (from TRLs 6-7), different from other economic sectors.



*This source of revenue is 100% implemented (and yearly improved) since 2011 through the Project Agreements signed between EIT InnoEnergy and the commercialization project partner. Some 80 assets in the portfolio..*

**Source 5: Monetization of equity: revenue stream from the Highway™(Early stage). [Net contributor to EIT InnoEnergy financial sustainability]**

The Highway® is the first product line from the Business Creation Services business line. The business model is the following: When the entrepreneur (*the customer*) with a business idea goes through the preliminary opportunity assessment, and reaches a positive assessment, she/he then signs a contract with EIT InnoEnergy, where we establish the subset of services they receive to reach their potential, and in return, when the start-up is incorporated, InnoEnergy gets, but only then, a percentage of the equity of the start-up.

This percentage depends on how many services the entrepreneur will be getting, and the reference is between 5-30%. The data we monitor per venture (equity position, last investment round, sales, services delivered, our valuation, investments raised) have been extensively shared with the EIT. The **fair value** of our equity positions in our portfolio is annually checked by the external auditors (PWC, EY, KPMG) since they are an integral part of the valuation of EIT InnoEnergy.

We have started exiting some cases (20+ up to Sep 2020) to test whether the term sheets are solid. They are. Same as for the Innovation Projects, the forecasted ROI from exits increases significantly, which is expected since the valuation of the more mature ones allows bigger capital gains (rounds Bs and Cs)

*This source of revenue is 100% implemented (and improved yearly) since 2011 through the so-called Term Sheets which are signed between EIT InnoEnergy and the ventures. Some 220+ assets in the portfolio.*

**Source 6: Participation fees for Master School [Gross contributor to EIT InnoEnergy financial sustainability]**

The educational programs of EIT InnoEnergy are meant to be of the highest quality and world class. Only then we will be able to (1) stop granting the students to attend the courses, and then (2) charge our applicants a given participation fee. After five consecutive years of investment (cumulated to 24M€), in 2016 we changed the strategy in the Master School by evolving from handing out scholarships (buying students) to asking **participation fees** and offering participation waivers. The number of self paying students has steadily increased since 2017 and proven the value of our programs. The participation fee is from 2021 intake onwards **18K€, coming from 12K€** when we launched a paying Master School.

The assumption for the period is reaching 80% of students paying tuition fees by 2024.

**Source 7: Consulting services to external customers [GROSS Contributor to EIT InnoEnergy financial sustainability]**

Consulting services will **never be neither a big contributor to revenue stream for EIT InnoEnergy nor to financial sustainability**, it is developed as a complement to our Business Model, and to reinforce our Thought Leadership positioning. It is developed because the tools, processes, reports that we design and deploy for our own internal needs have a value, and the market might have an appetite



for them also. Because it is a service, and not our main goal, the Gross Margin is low and will remain so. Some examples with past (and hopefully) future transactions.

- The consulting assignments signed with **Gates Ventures and Breakthrough Energy**, [Bill and Melinda Gates Foundation investment vehicles in sustainable energy].
- Reports: TOP 10 Innovators in 100 technologies; Tools: IRL tool (DG RTD), E2Talent (several VCs, BAs)
- Innovation by design: co-designing and managing the disruptive R&D&I roadmap of an innovative energy player (REE, RWE, Tu/E,)
- Student challenge driven: using EIT InnoEnergy students as brainpower to design future businesses (Iberdrola, Sweco, Gas Natural)

***Development of this source of revenue, will continue as an accompanying to other sources, and never a goal in itself.***

#### **Source 8: Market Creator© [Contributes to EIT InnoEnergy financial sustainability]**

This product offering was launched in 2014-2015. EIT InnoEnergy identifies a market that does not exist because of critical mass, too risky for incumbents brand, absence of supply chain, non-existence of business model underpinning the case, so we EIT InnoEnergy build and operate the first transactions, leveraging the innovative technology of our ventures, the challenging appetite of our big players, and the manpower of our students.

Once the new business (so new € in the market place) is operating to the functional and commercial conditions that make it market viable, EIT InnoEnergy transfers it to the big EIT InnoEnergy industrial partner risking in the first phase. The valuation of the business, pre-agreed in T0 is the gain of the investment. This is the BOT model (Build, Operate, and Transfer).

Home and Smart, the BOT together with 70+ StadWerke in Germany (aggregated around Thüga) and launched in 2016, was successfully transferred to Badenova and Thuga in Jan 2019, proving the beauty of the model.

The live BOTs are:

- **Power4You**: together with 5 Municipal Utilities in Sweden, launched in 2018.
- **EOS**: together with an EPC (Energy Procurement Company in Spain), launched in 2019
- **Verkor**: together with Schneider and IDEC, launched in 2020

***Development of this source of revenue, will continue, with a big boost when more resource are available.***

#### **Source 9: Contracts with other EU bodies [GROSS contributor –marginally- to EIT InnoEnergy financial sustainability]**

Over the last years we have developed a position in the EU, beyond the EIT, that has allowed EIT InnoEnergy to be recognized as a **value-added player**. We have been awarded **eleven contracts (depicted in sections of this document)**, some already delivered, most of them under implementation and that are bringing **additional revenue but also associated costs** (that is why it is GROSS contributor). They are included in the **financial sustainability**, however their value is in the **strategic sustainability dimension**, since all the contracts are only proposed if they complement and re-enforce our strategy.



*Development of this source of revenue, will continue, always as a mean to the goal of becoming one of the preferred instruments for the EU for the Energy transition (link to the vision explained in section 2).*

**Forecast Revenue and Financial Sustainability looking into the future:**

Besides the requested information, we have included additionally:

- The revenues in 2017, 2018, 2019 and prospective 2020 (with Corona impact built in)
- The balance sheet equity of EIT InnoEnergy, audited.

Important to remind that for EIT InnoEnergy, behind all these numbers but especially for lines 1.1 and 1,2 there are term sheets, contracts that substantiates each one of the 300+ cases underpinning the prospective revenue. The contribution to FS, in those 2 lines of NEW investments done from 2020 onwards will be minimal.

**Figure 15.** EIT InnoEnergy Financial Sustainability plans (M€).

	ACTUALS			FORECAST	PLAN							Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	(21-27)
8 EIT funding expected (Corona excluded)	78	87	91	82	54	48	40	35	25	25	25	254
1.1 Income by ROI of I-Project/MC (Net)	00,8	4,8	5,79	6,5	10	14	24	49	59	69	79	304
1.2 Income by equity exits (Net)	0,8	2,1	5,1	6	10	19	22	25	40	60	80	256
2 Education (Gross)	0,5	1,1	1,7	2,7	3	4,2	5,2	6,2	7,2	7,2	7,2	40
3 Consulting and services (Gross revenue)	0,3	0,9	1,9	1,8	2	5	6	7	8	8	8	46
4 Membership fees (Net)	2,8	2,4	4,3	3	3	4	4	4	4	4	4	27
5 Alternative funding	0	0	0	0	2	0	0	1	2	3	4	10
6 Sum of EIT InnoEnergy own revenues	5,2	11,3	18,79	20	30	46,2	61,2	92,2	120,2	151,2	182,2	683
7 Total KAVA budget (EIT + InnoEnergy)*	83,2	98,3	109,79	102	84	94,2	101,2	127,2	145,2	176,2	207,2	937
8 EIT funding expected (Corona excluded)	78	87	91	82	54	48	40	35	25	25	25	254
10 EIT FS coefficient (6/8)	7%	13%	21%	24%	64%	96%	153%	263%	481%	605%	729%	
11 New FS coefficient (8/7)**	94%	89%	83%	80%	64%	52%	40%	28%	17%	14%	12%	

\* Cofunding from other sources excluded.

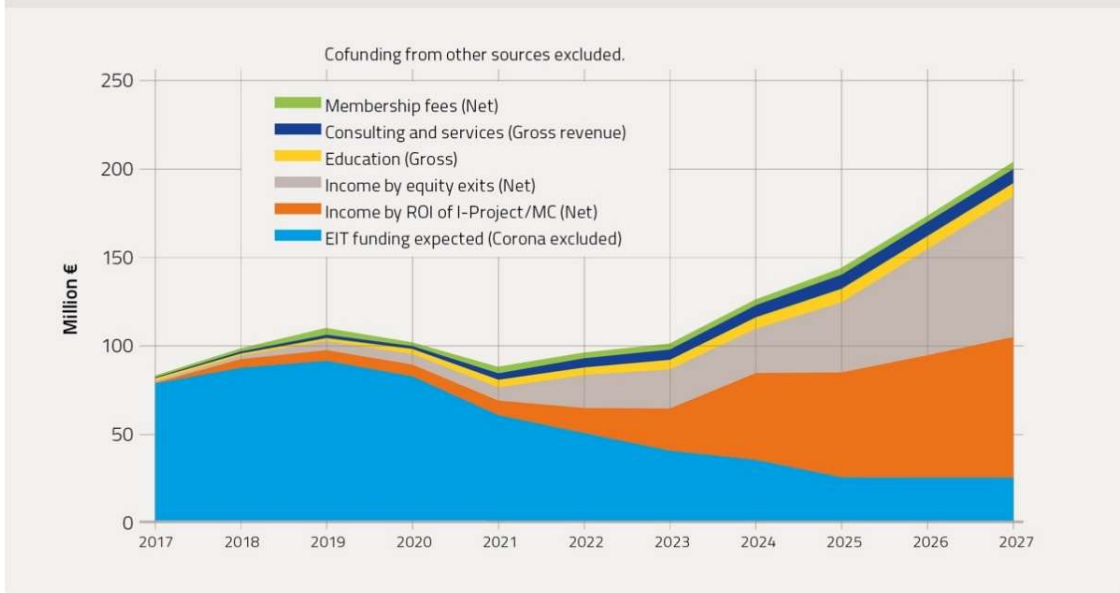
\*\* New FS coefficient (8/7)\*\* which could make more sense: How much of the new funds (EIT and own EIT InnoEnergy) come from the EIT.

The EIT funding from 2021 are estimates used for the purpose of this exercise.



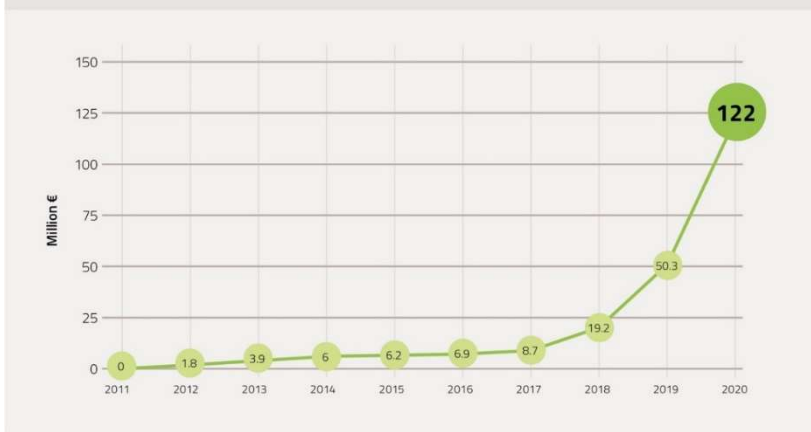


**Figure 16.** EIT InnoEnergy expected income sources.



As explained above, the **equity position in EIT InnoEnergy balance sheet** is as important, since it indicates how the **future looks like** (the intrinsic value of the equity positions we have in our 300+ investments, with a very conservative approach). Therefore, here the evolution of the equity of EIT InnoEnergy’s balance sheet, audited by external auditors and public in the public register. It is obvious that the orange and grey segments of the forecasted revenues come from the value increase of the equity in the balance sheet.

**Figure 17.** EIT InnoEnergy Equity.



**Table 3.** Overview on the financing of EIT InnoEnergy activities (MEUR).

	2021	2022	2023	2024	2025	2026	2027	Total
<b>EIT Grant</b>	54	48	40	35	25	25	25	<b>260</b>
<b>KIC LE investments</b> (exc. membership fees) <sup>1</sup>	25	27	57.2	88.2	116.2	147.2	178.2	<b>653</b>
<b>Partners membership fees</b>	3	4	4	4	4	4	4	<b>28</b>
<b>Other partners contributions</b> (including in-kind contributions) <sup>2</sup>	20	20	20	20	20	20	20	<b>140</b>
<b>Third party contribution</b>	4	5	6	7	8	8	8	<b>46</b>
<b>Total Funding</b>	<b>103</b>	<b>118.2</b>	<b>127.2</b>	<b>154.2</b>	<b>173.2</b>	<b>204.2</b>	<b>235.2</b>	<b>1127</b>
% of EIT grant of the total budget	53%	41%	31%	23%	14%	12%	11%	-

*Disclaimer: It is pertinent to note that the table above does not represent a commitment by the EIT to disburse the listed amount.*

## 5.4 Financial Sustainability

Since 2010 all the investments done by EIT InnoEnergy have a Return of Investment (ROI) agreement signed between the beneficiary of the investment and EIT InnoEnergy. EIT InnoEnergy only invests in (business) cases where the delivered innovation (technological, social or business model) will have a potential impact in one of three energy KPIs (decrease cost of energy, decrease GHG emissions and increase the operability of the energy system) with subsequent expected socioeconomic impact in three main KPIs (creation or maintenance of jobs, growth and increase of European competitiveness).

In purely financial terms EIT InnoEnergy is a risk investor, so these ROI agreements are only “called” when the innovation is successful, so there is a logic of risk sharing and success sharing. This principle is applied to all our investments and is very clear and welcome by the partners of the ecosystem.

EIT InnoEnergy manage 12 sources of revenue/resources that support its activities, under the grouping of the 5 main indicators described in the table below.

Revenues is currently half of the contributor to the financial sustainability, the other half is the value in EIT InnoEnergy’s balance sheet of the equity positions (and ROIs), which represent the future value to be monetized.

*The background rationale, assumptions and underlying business model for each line have been extensively reported in the previous chapter 5.3 Budget. Here we bring the compilation as per required format.*



**Table 4.** Forecast revenue (in M€).

	2021	2022	2023	2024	2025	2026	2027	Total
1. <b>Income generated by ROI &amp; Equity</b>	20	33	46	74	99	129	159	<b>560</b>
2. <b>Education</b>	3	4.2	5.2	6.2	7.2	7.2	7.2	<b>40.2</b>
3. <b>Services &amp; Consulting</b>	2	3	6	7	8	8	8	<b>46</b>
4. <b>Membership Fees</b>	3	4	4	4	4	4	4	<b>27</b>
5. <b>Alternative funding sources</b> (public and private)	2	2	0	1	2	3	4	<b>10</b>
6. <b>Sum of FS Revenues</b>	<b>30</b>	<b>46.2</b>	<b>61.2</b>	<b>92.2</b>	<b>120.2</b>	<b>151.2</b>	<b>182.2</b>	<b>683.2</b>
7. <b>EIT grant projection</b>	54	48	40	35	25	25	25	<b>254</b>
8. <b>FS Coefficient</b> <sup>6/7</sup>	64%	96%	153%	263%	481%	605%	729%	<b>269%</b>

## 5.5 Cross-cutting aspects

### Openness and Transparency

The ecosystem of partners (which is wider than the 531 depicted since those are only the EIT registered ones, and for example the EBA -European Battery Alliance- are not counted or all the investors network we InnoEnergy have developed over the last years -InnoEnergy VC Community-) grows with the deal flow of new investment cases. EIT InnoEnergy declares, disseminates, and promotes its thematic strategy and roadmaps, and then launch investment rounds, open ended, with cut of dates (calls). Then partners across Europe answer to these open calls with innovative business cases, are vetted and selected and eventually become partners of InnoEnergy because we decide to support their cases.

#### *Open Governance*

There are two key criteria that will guide our openness and transparency governance in the coming years.

- Only around 10% of the annual 2020 budget will be captured by EIT InnoEnergy shareholders (in the beginning it was much higher). This trend will continue, and it is mainly Universities and RTOs which are recurrent beneficiaries, not business.
- There is no link between paying a partnership fee and getting, by default, a certain amount of EIT grant or InnoEnergy investment. It is and will continue to be made clear to all partners and members of the EIT InnoEnergy ecosystem that influence in decision making, grant-giving, or any similar activity cannot be obtained through donations, membership fees, or any other similar method.

#### *Strategic priority setting*

EIT InnoEnergy partnership is open to organizations across the world with an active interest and participation in the energy transition. EIT InnoEnergy shareholders must meet the following criteria:



demonstrate capacity and capability to further EIT InnoEnergy strategic objectives and add complementary representation to the 'knowledge triangle'; acknowledged Leadership in the energy sector, or the strong aspiration to become an acknowledged leader in the energy sector, or any other sector of relevance to the energy sector; demonstrated and recognized High innovation acumen; strategic intent aligned with the UN SDG; a commitment to participate in the KIC activities, where feasible and capacity to pay the cost of a share in a given year, upon execution of the transaction.

40%+ of EIT InnoEnergy investments go to countries in the RIS countries as stated in the EIT web site. The RIS model is core to the EIT InnoEnergy strategy and will continue to be so until 2027 and beyond. Potential partners from RIS countries will be actively encouraged to engage in the ecosystem through the existing regional and national offices which are currently present in 13 RIS-designated countries.

Priority setting for EIT InnoEnergy is established through the contribution of its Executive and Supervisory Boards, bringing together expertise in thematic areas and innovation.

Input from all actors within the ecosystem is welcomed through ongoing events and continuous collaboration on activities and projects. EIT InnoEnergy's business planning will continue to hold a similar structure as in previous years, with investment rounds playing a main role. The well-established investment round process has proven to be both open and transparent, allowing any eligible partner to apply. Rules and procedures are publicly available, and InnoEnergy has several systems established to assist these potential new partners. Some examples include: the BCs resource packs, Educational training, and instruction (both in collaboration with partners universities and in-house, and the CLC portfolio management structure itself – which allows for thematic experts to assist in the process. This has shown to be a very effective method to encourage new partners; the last 4 calls for innovation projects, ALL the



partners selected (30+ per call) have been new. It is intended that this trend will continue, drawing and encouraging new partnerships, particularly for SMEs following the outlined partnership offers below:

**Figure 18.** Overview of EIT InnoEnergy Partnership Offers.

	Platinum	Gold+	Gold	Silver
<b>EIT InnoEnergy strategy and governance</b>				
	shareholders			
At global level	✓	-	-	-
At local level	✓	✓	-	-
<b>EIT InnoEnergy events</b>				
Participation in local partner days	✓	✓	✓	✓
Free invitations to networking events	✓	✓	✓	✓
Discount on event participation	50%	30%	30%	15%
Discount on event sponsorship	50%	30%	30%	15%
Free tickets for The Business Booster	5	2	2	1
<b>EIT InnoEnergy assets</b>				
Priority for adopting new products and services	✓	✓	✓	-
Priority for hosting pilots	✓	✓	✓	-
Free printed reports	✓	✓	✓	-
<b>Education</b>				
Input into education projects & curricula	✓	✓	✓	-
Priority for hosting PhD candidates	✓	✓	✓	✓
Discount on professional learning courses	30%	15%	15%	5%
<b>Business Creation Services</b>				
Research for co-acceleration opportunities	✓	✓	✓	-
<b>Innovation Projects</b>				
Required for Innovation Project consortia*	✓	✓	✓	✓
Active support for matchmaking	✓	✓	✓	-
Priority for joining Assessment Committee	✓	-	-	-
<b>Talent mapping</b>				
Discount on Talent Partner Programme	30%	15%	15%	-
Access to Master's School graduate index	✓	✓	✓	-
<b>Services</b>				
EIT InnoEnergy CommUnity memberships	6	4	4	2
Free use of EIT InnoEnergy facilities per year <sup>1</sup>	Unlimited	12	12	4
Discount on EIT InnoEnergy services	✓	✓	✓	-
Support with EU initiatives <sup>2</sup>	✓	✓	✓	✓
<b>Annual Fee (€)</b>	50,000	30,000	20,000	6,000



EIT InnoEnergy will continue to support outside organisations through its public events and published papers. An example of this is the activities undertaken in the EBA, where events are held in collaborations with 3<sup>rd</sup> party organisations, as well as European and national institutions. These allow for better policy making in Europe, and for the advancement of knowledge in several fields.

### *Operational Transparency*

All relevant documents (Partnership Agreement, Grant Agreement) are published on the public EIT InnoEnergy website. The legally binding and commercial documents (Financial Statements, Articles of Association), as well as investment decisions, and guidance notes, are available on EIT InnoEnergy intranet.

Commercial and legal sensitive documents (Innovation Projects Agreements, BCSA, Students Contracts) are available to the concerned partners, ventures, and students via the business intelligence platforms EOI and Accolade.

Training documents, templates, guidance notes are available to all partners or third parties with the link to the EIT InnoEnergy Office Cloud.

The communication to shareholders is planned and executed as follows: The General Assembly is scheduled once per year, end of June. Quarterly written reports are used to provide regular updates and extraordinary General Assemblies are triggered by exceptional circumstances.

The communication with the partnership at large is realized via quarterly meetings (TownHalls, Quarterly Reviews, newsletters, intranet and website). Twice a year training on operational excellence, grant cycle, branding is offered to all partners.

EIT InnoEnergy reconfirms its commitment to transparency, by publishing on its website and providing the EIT with information and key documents in due time about the following:

- KIC vision, objectives and main activities, as defined in the KIC Strategic Agenda.
- KIC set-up and governance including the KIC LE: KIC governance and management bodies, decision-making process, the articles of association and other documents laying down the legal structure of the KIC, KIC Code of Conduct;
- KIC partnership: partner categories, names, partner entry and exit criteria, application process for becoming a KIC partner and redress procedure.
- KIC activities:
  - final KIC Business Plans, annual progress reports, information on ongoing activities, outcome and results;
  - procedure for the preparation of the KIC Business Plans, including the identification of priorities, the selection of activities (e.g. the calls for proposals and other funding schemes managed by KIC), list of selected activities and allocation of funds, and the redress procedures;
  - calls for tenders (i.e. procurement procedures) of the KIC LE and entities with a CLC role;
- calls for EIT RIS hubs;
- open and transparent selection and recruitment in the KIC LE;
- KIC IP Policy.



## Synergies and Collaborations

The natural first steps were aimed at being anchored in the European biotope for Research & Innovation, by participating to European projects on all relevant dimensions of innovation & energy. For this, the added value we bring is mainly being the “market uptake” vehicle, and where our role is to value the results of other EU initiatives, that are upstream in the TRL/CRL chain, and bring them to effective commercialization. That was formalized first in the SET Plan communication of 2015, and even more emphasized in the Communication “Accelerating Clean Energy Innovation” (ACEI) in 2016 and in the following reports on ACEI issued by the European Commission.

But R&D is not the only dimension where EIT InnoEnergy brings value to the Energy Transition, because our now recognize “brand” is that the Energy Transition will only happen if the six dimensions:

1. Societal & Individual
2. Human Capital
3. Technology
4. Regulation
5. Value Chain/Market/ Business Model
6. Supply Chain

Three main contextual factors frame the strategy of EIT InnoEnergy in the EU going forward:

### *The Energy Union (policy)/“ Clean Energy for all Europeans” Package (Regulation/Directives) and its evolution:*

The Energy Union keeps being a priority for the Commission, the European Parliament and somewhat also for the Members States for the years to come. The Clean Energy for all Europeans presented by the Commission in December 2016, that has been adopted before the end of 2018, is giving the compass for the future to all the stakeholders around Energy. It contains more than 1000 pages, and each page is an opportunity for an ecosystem like EIT InnoEnergy. EIT InnoEnergy objective is to continue playing a role in the concrete implementation of this revolution.

This focus and strong involvement will remain at least during the implementation phase of the package, that has started with the National Energy and Climate Plans (final version submitted by the Member States over S1 2020), which describe the plans & investments of the European countries in the field of energy. The same will also apply to some extent to the “Mobility package”, that contains important measures on “clean mobility”.

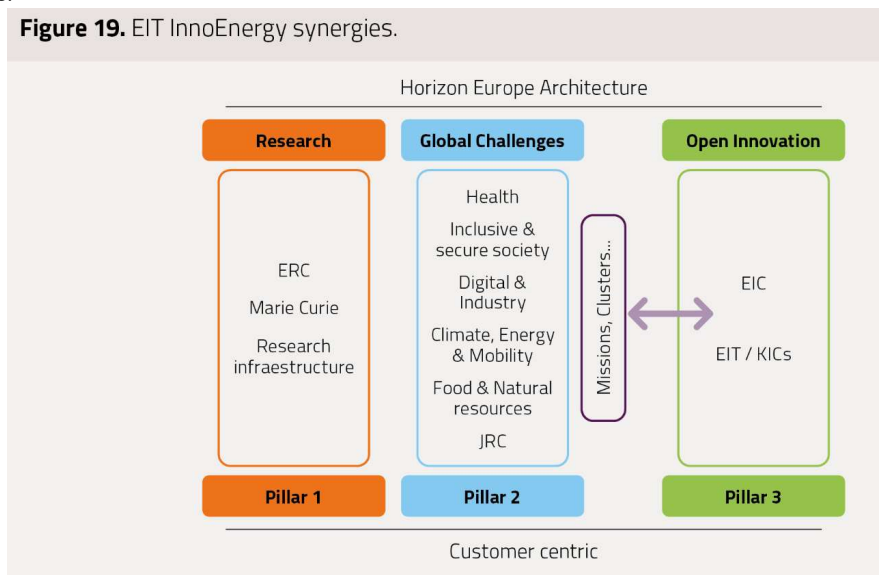
EIT InnoEnergy will also contribute to the revision in S1 2021 of the Renewable Energy Directive and the Energy Efficiency Directive to match the upgraded emission reduction of the European Union for 2030 (from 40% to 55%)

### *The Horizon Europe*

- A new European frame for innovation has been proposed by the European Commission in June 2018. InnoEnergy is defending in the new architecture, based on 3 pillars (including a new one dedicated to innovation) the role and the place of EIT and the KICs, also in relation with the European Innovation Council, the Global Challenges clusters, the Missions and the “widening” activities, to optimize synergies and complementarity between instruments and make the best use

of public resources. InnoEnergy also defends an appropriate budget for the KICs, to carry out their activities.

**Figure 19.** EIT InnoEnergy synergies.



#### The MFF (2021-2027)

- Horizon Europe and its ambitions will be highly influenced by the new budgetary commitments of the MFF 2021-2027, since it will be a constrained resource scenario (due to BREXIT, but not only). The traditional supply side measures based on grants will evolve to a mix of grants and financing (maybe not in basic research/infrastructure but surely in the innovation arena that is affecting us) and demand side measures; and there the business rules will be much more present hopefully.
- InnoEnergy objective is constantly sharing the achievements and impact created over the last 7 years, so the new budgetary design incorporates as much as possible these lessons learnt of investment driven activities.
- This focus and strong involvement will be over the next two years, while the budgetary side of Horizon Europe (linked to MFF) is designed, including negotiation on the future of European Structural and Investment Funds (ESIF), and the prolongation/reshaping of the European Fund for Strategic Investments (EFSI). InnoEnergy has also an interest for the Innovation Fund, that will be implemented in 2020.

Those three contextual factors were all impacted in 2020, by the launch of the European Green Deal by President von der Leyen, as well as the Covid-19-pandemic and the subsequent Recovery Plan for Europe.

#### The European Green Deal

In July 2019, in front of the European Parliament, Ursula von der Leyen pledged to make Europe the first climate-neutral continent. In December 2019, as President of the European Commission, she oversaw the publication of the European Green Deal, a comprehensive roadmap to flesh out this ambition. EIT InnoEnergy is fully aligned with the European Green Deal's ambition and philosophy and will directly contribute to seven out of eight priorities set out in the Commission, such as the reduction of greenhouse gases emissions, the development of clean, affordable, and secure energy and creating an industrial future for Europe.

The European Green Deal was complemented in March 2020 by a new Industrial Strategy for Europe, a Communication aimed at securing Europe's industrial leadership and strategic autonomy, while translating





the recently adopted climate-neutrality target into growth opportunities for European businesses. EIT InnoEnergy strives for industrial relevance, as demonstrated by our leadership in the European Battery Alliance, and could be instrumental in mobilizing and steering industry across strategic value-chains (e.g. green hydrogen or renewables such as solar or offshore wind energy).

*The Recovery Plan for Europe:*

Following the COVID-19 pandemic, and its disastrous impact over Europe's economy, the Commission put forward a Recovery Plan for Europe in May 2020, endorsed (with important adjustments) by the European Council in July 2020. This Recovery Plan anchors the economic recovery with the green and digital transitions, effectively making the European Green Deal (and the Industrial Strategy) the compass for the recovery and the consolidated resilience of the continent. The Plan includes a strengthened Multiannual Financial Framework for 2021-2027 and 750Bn€ in additional investments (initial proposal) with very significant opportunities for EIT InnoEnergy and its assets in the 2020-2024 period.

All these contextual factors are interrelated and cannot be managed separately.

In front of this Horizon Europe/MFF scenario the good news is that the EIT/KICs were designed with this logic from the start, and we can be taken not as role models maybe, but surely as a reference. KICs must be proactive rather than reactive.

EIT InnoEnergy has strong arguments to set these new relations, as:

- EIT InnoEnergy can be a contributor to the European Green Deal, and to the Green Recovery after the COVID-19 crisis, that President von der Leyen has put to the top of the European Commission agenda.
- Due to its mixed ecosystem, composed of Research Organizations and Private stakeholders, and the experience gained through the creation and implementation of the European Battery Alliance, EIT InnoEnergy can be instrumental in the implementation of the Industrial Strategy and the work on strategic value chains, which are also among the top priorities of the new European Commission, supported by the European Council.

EIT InnoEnergy from the beginning has built its action on synergies and complementarity, not only with other European instruments, but with the whole range of European stakeholders active in the field of energy, both private and public.

We will continue to build on this established approach by expanding and/or re-creating our connections with these stakeholders, by keep on advising the decision makers on energy transition and key initiatives to be taken to accelerate this transition and at the same time generating jobs and growth, as we did with the European Batterie Alliance (EBA@250), replicating when possible the methodology applied for batteries in other energy sectors.

Finally, the impact and the success of Horizon Europe will be closely related to the design of the programme, its architecture, the relation to establish between EIT and EIC in the Innovation Pillar, between EIT and Clusters & Missions, and between EIT and the Widening activities. Thanks to its previous experience



in terms of cooperation and synergies, EIT InnoEnergy will pursue its efforts to help building the most efficient architecture, based on this “synergy” principle and win-win relation between instruments.

## Cross-KIC cooperation and Simplification/Shared Services

EIT InnoEnergy has a unique place in the EIT Innovation Community, as sustainable energy is interconnected with other KIC’s challenge areas impacting upon the well-being of all EU citizens. To create meaningful and lasting impact in the context of European Green Deal, EIT InnoEnergy will utilise cross-KIC as a tool to share experiences and good practices with other KICs and to scope for high-potential joint actions from across KIC portfolios.

EIT InnoEnergy approach to cross-KIC activities is to enhance cooperation and synergies between KICs, leveraging inter-disciplinary innovation through co-design, collaboration, and co-creation. EIT InnoEnergy also wishes to develop platform capability to allow for future rapid deployment and scale-up of investment to create maximum impact on energy, raw materials, climate, urban mobility, and manufacturing by accelerating partnerships with the EIB, EIC and EIF.

Content priorities for EIT InnoEnergy include those meeting points between KIC systems which will allow for accelerated progress towards our societal and economic impacts in line with priorities identified in EIT’s overall Strategic Agenda, combining capacity building and RIS inclusion.

In relation to specific schemes, EIT InnoEnergy is committed to furthering the cross-KIC agenda in Human Capital, HEI Innovation Capacity Building and Skills for the Future. We also intend to benefit from participation in infrastructure programmes such as EIT House, CLC Consolidation and EIT RIS and any future opportunities to create efficiency in the service of impact.

## Communication

The Marketing and Communications function within EIT InnoEnergy continue to add value to the business by raising brand awareness, promoting important initiatives and supporting innovations and start-ups. Management and monitoring of communication activities (available resources and responsibilities) is undertaken at the corporate level and activities are managed through several dedicated KAVAs. This management structure allows the KIC, as well as its partners, to organise and host many events each year. Such events may be small and localised in nature – such as those organised or participated by Hub offices in RIS countries, or large multi-national events such as The Business Booster (TBB). Regardless of the size or scope, the management team ensures a consistent message and EIT branding is delivered.

EIT InnoEnergy’s digital presence continues to improve year on year. The Corporate website had 1.1 million page views in 2020 with nearly 500k sessions and 60%+ new versus returning visitors. Our social media activity increased by 20% from 2019, which included 15,000 followers on Twitter, 34,900 followers on LinkedIn and 20,000 on Facebook. EIT InnoEnergy was mentioned in over 470 press articles in 2020 alone (up from 150 in 2019), a number that continues to grow year on year.

The objectives for the 2021-2027 period are as follows.



1. Continue to build brand awareness for EIT InnoEnergy. Also begin to communicate on the number of sub-brands under the corporate brand umbrella.
2. Position the company as a core player and at the centre of the European Green Deal and the Energy transition.
3. The promotion of key assets (Alpha assets) will be important in helping increase their value.
4. Promoting the three industrial value chains will also be important. These include the European Battery Alliance, Green Hydrogen and Solar PV.
5. Support in major dissemination channels such as the organisation of the Business Booster event in November and the master's Connect event in April.
6. EIT InnoEnergy remain a new player in the US market, therefore promoting the brand in this region will also be an important activity.
7. Mapping supported assets to customers and segments is an ongoing activity as is enhancing and improving our collateral.

#### *Key Stakeholders and target audiences*

EIT InnoEnergy has a range of stakeholder that it appeals to – and each are targeted depending on the activity.

At the European level:

- The European Institutions
- European associations and trade organisations
- European-level media

Nationally:

- National and regional government – particularly agencies related to thematic activity.
- National industry and trade
- National trade associations
- National Media

EIT InnoEnergy also targets.

- Universities and students (mainly in the education activities)
- Potential Ventures and companies
- Fellow KICs, where cross-KIC activity is possible.

#### *Communication tools and channels – internal and external*

The main vehicle for external communications is the EIT InnoEnergy website. A recent upgrade took place in 2020, which has helped to significantly improve user interaction. Externally, EIT InnoEnergy also takes places in local, regional, and national events related to its thematic areas, as well as larger EU events, often facilitated by the EU Business Unit.

Brand books are developed and continuously updated for the whole company, ensuring up to date EIT branding is respected and used at all internal and external events and publications.



Internally, the company uses instant messaging (Teams), and has a dedicated intranet site where staff can find information related to all aspects of their operations. Regular Townhall-style meetings are also held for all staff, where important information is disseminated, and staff can feedback with insights and experiences.

These actions have been developed over many years and work well for EIT InnoEnergy, which is an ever-changing and dynamic company. There are no major plans to deviate from this structure, though frequent improvements and adjustments can be foreseen in the 2021-2027 period.

## Dissemination of Results

The dissemination of results and good practices is reflected in all EIT InnoEnergy activities, particularly with regards to supported assets. This aim is to maximise the take-up of new knowledge, both for commercial purposes and for policy making, as well as ensuring accountability for expenditure.

It is mandatory for all assets to have a dissemination / communication plan appropriate to their sector norms and commercial plans. Most dissemination activities relating to final project outcomes and results will take place after project completion. As a result of this activity specific nature, targets relating to dissemination are captured within EIT InnoEnergy Business Plan, complementary to this Strategic Agenda.

EIT InnoEnergy is taking a proactive role in maximising the reach and impact of dissemination activity through dedicated resource for development of a systemic approach which connects project dissemination by individual partners to overarching EIT InnoEnergy organisational strategy and brand. A successful and effective programme of dissemination is a key component in delivering on the impact indicators and enabling a smooth transition to sustainability of the energy systems. Transparent, objective and trustworthiness in dissemination practice is an essential starting point in this goal.

Dissemination policy will be supported by deployment of tools and platforms harnessing best digital knowledge management practice in the interests of public and professional impact and reliable monitoring. The aim is to capture data insights from dissemination activity to maximise reach, audience development and value building activity for EIT InnoEnergy centrally from project output aggregation.

EIT InnoEnergy dissemination strategy targets the different stakeholders and uses different platforms and tools depending on the objective pursued. For each objective, an action/ target/ tactic matrix is outlined.

### Capture New Deal Flow

**Figure 20a.** EIT InnoEnergy Dissemination activities.

Objectives 2021-2027. Communication, dissemination and stakeholders management	Target audiences/Stakeholders										Dissemination tools and channels										
	Prospective students	Alumni/Graduates	Entrepreneurs Intrapreneurs	Industry (Large, SMEs)	Political authorities and agencies	Public Administration	EIT InnoEnergy partner organizations (of the KTI)	Investors (Public and Private)	Innovation Community worldwide	Others	Web site	Partners web sites and channels	Social media	Own Events (TBB, EBA, BIP, Webinars...)	Third party specialized events	Media at large	Membership associations or organizations	Marketing collateral	Mailing campaigns	Thematic road-maps	Action in the Field (Business Development)
<b>Capture Deal Flow</b>																					
Attract and enrol BSc energy engineers with strong entrepreneurial capabilities, for MSc School	●		●							●	●	●	●	●	●	●	●	●	●	●	●
Attract and enrol early stage entrepreneurs		●	●	●						●	●	●	●	●	●	●	●	●	●	●	●
Attract and enrol innovative business cases		●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Attract and enrol innovative project finance cases		●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Diseminate widely the success stories and track record	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

### Monetise Assets

**Figure 20b.** EIT InnoEnergy Dissemination activities.

Objectives 2021-2027. Communication, dissemination and stakeholders management	Target audiences/Stakeholders										Dissemination tools and channels										
	Prospective students	Alumni/Graduates	Entrepreneurs Intrapreneurs	Industry (Large, SMEs)	Political authorities and agencies	Public Administration	EIT InnoEnergy partner organizations (of the KTI)	Investors (Public and Private)	Innovation Community worldwide	Others	Web site	Partners web sites and channels	Social media	Own Events (TBB, EBA, BIP, Webinars...)	Third party specialized events	Media at large	Membership associations or organizations	Marketing collateral	Mailing campaigns	Thematic road-maps	Action in the Field (Business Development)
<b>Monetize Assets</b>																					
Increase the sales of EIT InnoEnergy 300+ portfolio assets, by promoting them, proactive push			●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Diseminate widely the success stories and track record	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Position EIT InnoEnergy in the financial Community as a unique type of investor (total downside, success based upside)			●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Positioning and Thought Leadership

Figure 20c. EIT InnoEnergy Dissemination activities.

Objectives 2021-2027. Communication, dissemination and stakeholders management	Target audiences/Stakeholders										Dissemination tools and channels										
	Prospective students	Alumni/Graduates	Entrepreneurs intrapreneurs	Industry (Large, SMEs)	Political authorities and agencies	Public Administration	EIT InnoEnergy partner organizations (of the KTI)	Investors (Public and Private)	Innovation Community worldwide	Others	Web site	Partners web sites and channels	Social media	Own Events (TBB, EBA, BIP, Webinars...)	Third party specialized events	Media at large	Membership associations or organizations	Marketing collateral	Mailing campaigns	Thematic road-maps	Action in the Field (Business Development)
<b>Positioning and Thought Leadership</b>																					
Thought leadership in EIT InnoEnergy thematic fields	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Thought leadership in EU strategic industrial value chains (i.e. Batteries, Green H2, PV, ...)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Position EIT InnoEnergy in Horizon Europe and specifically in the Energy/Green Deal related instruments; and benefit from it					●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Position EIT InnoEnergy in the Next Generation EU package; and benefit from it					●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Position EIT InnoEnergy in the Member States recovery packages; and benefit from it	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Position the EIT/KIC model as the reference for Innovation and entrepreneurship (in all countries and ecosystems)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Keep on improving the sharpness of EIT InnoEnergy's brand and positioning vs the upcoming competition	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Deploy our brand (surely adapted) in the US			●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Manage trusted ecosystem.

Figure 20d. EIT InnoEnergy Dissemination activities.

Objectives 2021-2027. Communication, dissemination and stakeholders management	Target audiences/Stakeholders										Dissemination tools and channels										
	Prospective students	Alumni/Graduates	Entrepreneurs intrapreneurs	Industry (Large, SMEs)	Political authorities and agencies	Public Administration	EIT InnoEnergy partner organizations (of the KTI)	Investors (Public and Private)	Innovation Community worldwide	Others	Web site	Partners web sites and channels	Social media	Own Events (TBB, EBA, BIP, Webinars...)	Third party specialized events	Media at large	Membership associations or organizations	Marketing collateral	Mailing campaigns	Thematic road-maps	Action in the Field (Business Development)
<b>Manage trusted ecosystem</b>																					
Complement the value chain and market coverage of our partnership			●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Support the creation of a kernel of partners where EIT InnoEnergy would be mainstream			●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Animate the trusted ecosystem	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Disseminate widely the success stories and track record	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Animate the EIT InnoEnergy Community (Alumni)	●	●	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●



## Stakeholder Engagement

### *Energy stakeholders*

One of the characteristics of the Energy sector is that it is heavily regulated. All the functions of the value chain (production, transport, distribution, upcoming storage, ESCO (Energy Services) and retail are either totally (TSO and DSO) regulated businesses or partially.

Stakeholders in the sector are numerous, and there are also a lot of instruments and policies supporting energy transition, the building of a true Energy Union and successfully achieving the objectives of the European Green Deal, giving sometimes the impression that the European landscape is disorganized and/or fragmented. Considering that gathering efforts and forces is of paramount importance if the EU is intending to go towards a decarbonized economy, synergies with the major relevant European associations and private companies in the sector are mandatory.

EIT InnoEnergy breaks down these non-institutional stakeholders as businesses or organizations in the following categorizations: Energy Production, Energy Transportation and Distribution, Energy Storage, Energy Services and Energy Research

### *Non-Energy Stakeholders*

In addition to organisations directly related to Energy, InnoEnergy shall also continue to establish relationships with companies and organisation in sectors related to its main thematic fields. This is clearly a very wide range of stakeholders, though some examples can already be current members, partners and shareholders in the vehicles production industry, research associations, building suppliers etc. The focus shall continue to be to assess the available expertise and resources of these companies and how they can add value to the energy transition goals.

### *European institutional stakeholders*

The interactions and collaborations with the institutional stakeholders are of paramount importance, as they have the regulatory power of proposing and implementing (European Commission) or deciding on (European Parliament, Council of the European Union) the European legislation on energy matters. Such powers also include the creation of financial instruments backing the energy transition (i.e., Innovation Fund, relevant parts of Horizon Europe, European Structural and Investment Fund, recently the Just Transition Fund and Recovery & Resilience Facility etc.). The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), since they have the capacity to financially support projects in energy/decarbonization, are other institutional partners to liaise with.

EIT InnoEnergy pursues three objectives in its interactions with European institutional stakeholders.

#### 1) Increasing EIT InnoEnergy's Visibility (and Consolidating its "Brand" in Brussels)

In Brussels, EIT InnoEnergy is recognised as an engine for innovation and entrepreneurship in sustainable energy, as part of the EIT Community and through its "lighthouse" initiatives like the European Battery Alliance. This results from a continuing effort to inform European institutional stakeholders of its model, its vision, and its activities, to maintain and expand its network, and to consolidate the EIT InnoEnergy "brand". In 2021, EIT InnoEnergy intends to increase the visibility of its initiatives through events and publications, notably the European Green Hydrogen Acceleration Centre and the European Solar Initiative both launched recently, and to reinforce its contacts with the Commission and other institutional stakeholders.



## 2) Providing Advice on the Green Transition

EIT InnoEnergy regularly provides advice to European institutional stakeholders on the green transition, and on the role of innovation therein. It maintains a fruitful dialogue in that regard with the Commission, the European Parliament, the Council, and Member States, and engages with like-minded organisations where relevant. The implementation of the European Green Deal and the adoption of the Fit-for-55 Package will be the priorities for this year.

## 3) Providing Advice on the European Union Public Investment Offer

In addition, EIT InnoEnergy contributes to creating synergies between the different European instruments (including but not limited to the Horizon Europe programme). It advises European institutional stakeholders on improving the customer-orientation of the European public investment offer, focusing on the specificities of start-ups and innovative small and medium-sized enterprises, and on increasing the impact of public resources on the speed and scale of decarbonisation (in line with the climate-neutrality target set in the European Green Deal). In 2021, the effort should focus on the new budgetary cycle, with the implementation of new instruments like the Recovery and Resilience Facility, the Just Transition Fund, the Innovation Fund, etc.

These three workstreams materialise into:

- Speaking Opportunities (whether at own or third-party events) > 4 to 6 per Year (e.g. the EIT SIA Launch Event)
- Meetings with Stakeholders > 2 to 4 per Month
- Publications > 2 to 4 per Year
- Recommendations > Event-Driven (e.g., the Industrial Strategy, the Fit-for-55 Package, etc.)

The expected impact is:

- a Good Understanding by European Institutional Stakeholders of our Model, Vision, Activities
- a Good Level of Visibility for our "Lighthouse" Initiatives
- the Socialisation of our Narrative on the Role of Innovation in the Green Transition
- Thought-Leadership on Europe's Decarbonisation
- an Improved Fit of the European Financial Instruments for Start-Ups and Smalls Companies

## Global Outreach

InnoEnergy vision for 2025 is to become the "go to" trusted innovation ecosystem in sustainable energy for EU & US. In that direction IE strategic goal is (1) to create a trusted landing path for our assets so they can reach the (targeted) through our US Landing program (e.g. trusted channels, trusted accelerators, trusted investors), (2) for the US ventures to become the trusted landing path in Europe; and (3) extend our ecosystem with the key players and human capital in selected topics where there is a gradient between the two continents (e.g. off-shore wind, grids), and therefore win-win scenarios.

EIT InnoEnergy has already established presence in Boston, US. The choice for the location was determined by the energy market dynamic, however we do see a good complementary to the other EIT HUBs in the US.





## 6. RISKS

The risk analysis of the company is updated every two years when we do the strategic exercise with the shareholders and is trigger after the SWOT analysis. The current analysis dates from March 2020.

Subsequently we did the **risk mapping**, and mitigation actions, which are plotted underneath as per template requested. Two considerations to frame the information:

- **Corona impact:** A second consideration to bring in this chapter is the effects of Corona, which will require a chapter on its own. EIT InnoEnergy we shared with the EIT the full run down of the mitigation actions implemented in the spring by EIT InnoEnergy to support our key affected constituencies (students, early-stage ventures) and the other affected ones where we have less leverage (industrial partners, universities, RTOs, investors). Covering this dimension will consume 10 pages minimum, and as explained, it has been shared with the EIT already.
- **Heat map** (what is the risk appetite of the company versus the risks identified) because the existence of a risk does not immediately mean that we must bring the risk to 0 likelihood: We could be sharing it additionally.

The **risk map of EIT InnoEnergy** is:

**Figure 21a.** The risk map of EIT InnoEnergy.

Identified Key Risks of EIT InnoEnergy (and judgment of where we are in terms of mitigation).



CAUSES	EFFECTS	MITIGATION ACTIONS
--------	---------	--------------------

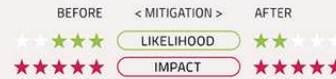
**Risk 1. Strategic & Financial**

***EIT InnoEnergy will not be able to generate enough financial resources to support its Baseline scenario (80-90M€ annual run rate).***

- EIT funding reduced sharply, with small tail.
  - EIT InnoEnergy isn't successful in generating, and capturing its own revenue streams.
  - Assets not increasing their value at the right path.
  - Non ability to monetize the value (assets illiquid...).
- Unbalanced portfolio management (risk profile, time profile, ROI/asset).

EIT InnoEnergy will be out of business (or will be shrinking to a non impactfull engine).

- Develop the 10 revenue streams of the business model.
- Right positioning in the Energy stakeholders in Brussels, finding another EU host/source.
- Raise 40M€ to bridge the gap between 2021 and 2023.
- Fully develop the Asset management muscle.
- Have a balanced portfolio management strategy.
- Drive exit strategies towards listing to increase liquidity in portfolio.
- Expand ROI schemes beyond Equity only.
- Secure a balanced quality new deal flow.



**Risk 2. Strategic**

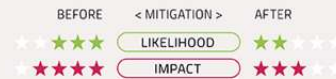
***EIT InnoEnergy is loosing its' uniqueness, its' competitive advantage and its positioning in the market.***

Value proposition and Business model becoming unattractive because inadaptation to a changing context:

- The new energy sector battle field (Green Deal, etc.)
- New technologies
- New players and competitors
- New markets and business models
- Changing regulations (i.e. changing EU framework agreement, leading to a new IP policy)
- Reputation loss
- Losing the dual public private DNA
- Spreading ourselves too thin
- Too much RRF, JTF, excess of supply side liquidity will decrease quality of deal flow.

Low quality deal flow. Decreased company value. Last positioning and branding as leading innovator. Partners/innovators going to other instruments or sources of investment and added value services easier to apply to. Loosing EU political sponsorship.

- Maintain and increase de positioning where the future energy sector is being written (Green Deal and associated industrial value chains).
- Continue revisiting the Business models of our product lines (Benchmark with competitors, being innovative in new ones) => continuous improvement.
- Continue bringing value to the EU policy makers and insitutions at large to stay a key strategic tool for the energy transition and green deal (even if we are anchored in another EU instrument).
- Re-assess our strategy every two years.
- Communicate widely our success stories.
- Keep and reinforce creativity inside the company, balancing exploration and exploitation.
- Develop and deploy the Impact Model.



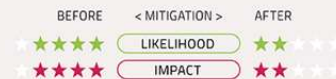
**Risk 3. Strategy & Operational**

***EIT InnoEnergy does not have and retain the right (competent and engaged) team to implement its ambitions.***

- The staff that was efficient for building and operate the engine might not be the appropriate one for managing and monetizing the assets.
- High dependency on few key staff.
- Poor management of the uncertainty emotions (Corona, impact of EIT financing drop/next MFF, IPOI feasibility).
- Perceived change of responsibilities/autonomy levels BU/Central.
- High pots poached by competition in a world with increasing shortage of supply of right talent in our field of operation (green, innovation, entrepreneurship...).

Not being able to deliver on the promises and expectations. Expectations not fulfilled. Unability to implement the strategy.

- Invest heavily in change management to accompany the evolution of the staff.
- Continuous internal communication, and establishing continuous feedback as company culture.
- Strengthen the focus on employee development.
- Introduce new remuneration instruments (ESOP), even without IPO linked to IPO.
- Implement a succession planning.
- Get support/recruit IPO "fit for purpose" staff.
- Retention of the key contributors and other essential brains (...).



**Figure 21b.** The risk map of EIT InnoEnergy.

**Risk 4. Strategy & Operational**

***EIT InnoEnergy does not have uniform processes and quality business support systems in place.***

- Scattered IT landscape.
- Not enough focus on change management (process, people).
- Merging business lines yet unclear.
- Enormous dynamism of the business model, so system can not stabilize.

Not being able to convince future investors on solid process and systems including management reporting to deliver on the promises.  
Expectations not fulfilled. Investment/business mistakes because of poor/lack of information.



- Wide dissemination of current BSS (Business Support Systems)
- Enforce discipline of usage
- Audit processes and IT landscape (also from IPO perspective if IPO)
- Clear design of the merge of business lines and consequences for operations, governance, processes and systems

**Risk 5. Strategic & Financial**

***Fail in raising growth capital (through IPO or others), for the growth scenario (@200M annual run rate).***

- Insufficient preparation.
- It is a FOAK.
- Misalignment shareholders-governance-execution.
- Brussels opposing.
- The risk that the InnoEnergy shareholder structure with >60% owned by public universities and RTO's will be perceived by financial community & investors as not fit for a listed company with the nature of an innovation engine and investment fund.
- Not being able to demonstrate a scalable model.
- Unable to communicate the correct message to the general public.
- Lack of specific competencies for running the IPO.
- Financial markets close when we are ready.

Impact on branding. Lack of resources for further growth. Next strategic step if IPO fails?



- Build the right IPO story & narrative.
- Get early on external 3rd party support to be prepared professionally (communication, finance, systems etc...).
- Populate the track record which is meaningful for the IPO (Unicorns, exits, raising capital, managing funds...).
- A lot of shareholders' management.
- Turn potential public/Brussels reaction to an ally.
- Execute the plan in all its dimensions (people, processes, track record, compliance, PR...).
- Align all Governance levels (Shareholders, SB, EB, staff, new investors).
- Learn from others.

**Risk 6. Strategy & Operational**

***Turn an "entrepreneurial" organization (part of our uniqueness) into a stock-market highly regulated and exposed company, if being listed.***

- Listed companies are subject to strict regulation, more perceived "red tape", and employees might loose focus, turning to serve the compliance instead of serving the customers.
- Increase Corporate to meet compliance requirements.

Loosing entrepreneurial company culture e.g. alertness, agility... Which will mean the loss of our uniqueness.



- Identification of "MUSTS" in the new environment.
- Continuous communication (and role of reach one) from the "As is" --> "To Be".
- Supervision by the SB.

**Risk 7. Strategic**

***Losing quality and reputation in education; and consequently losing the Knowledge triangle uniqueness (singled out from risk #2).***

- Education and training offering not differential enough.
- Mismatch between value proposed and participation fees charged.
- Mismatch of ambitions between partners and InnoEnergy.
- Education offering not including the integration with the other innovation product lines.

Students not willing to pay the fees. Loss of KIC reputation. Loss of Knowledge Triangle Integration uniqueness.



- Continuous improvements of programs (students/customers).
- Innovative added values.
- Continuous monitoring of the Knowledge Triangle Integration in the Education offering.

**Risk 8. Operational**

***Business structural disruption caused by EXTERNALLY caused factors (Black Swan).***

- Corona lasts more than 2021.
- A big reputational negative impact (i.e. Mine mess up, loss of trustability...).

Losing 4 years of our development. Back to square 1. Need to rightsize the operations substantially, which will be very detrimental since it is one of our core assets.



- Agility as reaction to external events out of our control, like we did with Corona.
- Promote, praise, enforce the values of the company.

## ANNEX 1 KIC IMPACT

KIC Strategic Objective <i>(i)</i>	Problem/ issue related to the societal challenge <i>(ii)</i>	Societal and economic impact to be created by 2027 <i>(iii)</i>	Impact KPIs <i>(iv)</i>	Targets to be achieved by 2025* <i>(v)</i>	Targets to be achieved by the FPA end year [2027]* <i>(vi)</i>	Targets to be achieved by 2027* <i>(vii)</i>	Relevant UN SDG Targets <i>(viii)</i>	Source of verification (to be completed only for the societal impacts) <i>(ix)</i>
SO1: Decrease the GHG emissions	Promoting sustained, and clean economic growth	Reducing the CO2 emissions	GigaTons of CO2 saved	0,3	0,48	0,48	SDG 7, SDG 9, SDG 11, SDG 12, SDG 13	Business cases (actuals and forecasts) from InnoEnergy assets portfolio
SO2: Decrease cost of energy	Ensuring the access to affordable, sustainable and modern energy	Decreasing the costs of energy	Money saved by substituting existing technologies by InnoEnergy assets (EUR million)	1.800	2.520	2.520	SDG 7, SDG 9, SDG 13	Business cases (actuals and forecasts) from InnoEnergy assets portfolio
SO3: Increase the operability of the energy system	Ensuring the access to affordable, sustainable and modern energy	Increasing the availability of the innovative energy	TWh generated from renewable sources based on InnoEnergy innovations	100	160	160	SDG 7, SDG 9, SDG 11, SDG 12	Business cases (actuals and forecasts) from InnoEnergy assets portfolio
SO4: Job creation (or maintenance)	Promoting inclusive, sustainable and green growth	Increasing the availability of new jobs and jobs maintained	# New jobs created in start-ups/scale-ups (direct and indirect)  # and type of jobs and/or employment in existing businesses in InnoEnergy sustained through innovations	30.000	36.000	36.000	SDG 8	Business cases (actuals and forecasts) from InnoEnergy assets portfolio

KIC Strategic Objective	Problem/ issue related to the societal challenge	Societal and economic impact to be created by 2027	Impact KPIs	Targets to be achieved by 2025*	Targets to be achieved by the FPA end year [2027]*	Targets to be achieved by 2027*	Relevant UN SDG Targets	Source of verification (to be completed only for the societal impacts)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
SO4: Job creation (or maintenance)	Promoting inclusive, sustainable and green growth	Ensuring the workforce in the InnoEnergy field	# and type of skill gaps and/or skill shortages filled to accelerate the energy transition # students working/leading new ventures  % of alumni who continue their work in the InnoEnergy field, battery sector	10  2.000  40%	12  2.400  45%	15  2.400  50%	SDG 5	Business cases (actuals and forecasts) from InnoEnergy assets portfolio  EIT survey
SO4: Job creation (or maintenance)	Promoting inclusive, sustainable and green growth	Promoting gender balance in the InnoEnergy sector	The survival rate of a venture managed by a woman entrepreneur (in %)  Investment attracted by female entrepreneurs (in MEUR)	70%  500	75%  550	75%  600	SDG 4 and SDG 8	Business cases (actuals and forecasts) from InnoEnergy assets portfolio  EIT survey
SO5: Growth	Promoting inclusive, sustainable and green growth and ensuring the access to affordable, sustainable and modern energy	Increasing the availability of the innovative energy	People with access to energy in developing countries thanks to InnoEnergy deployed assets	180.000	324.000	324.000	SDG 1, SDG 7 and SDG 10	Business cases (actuals and forecasts) from InnoEnergy assets portfolio
SO5: Growth	Promoting inclusive, sustainable and green growth	Pooling resources for InnoEnergy sector's growth	External funds raised by supported assets (where InnoEnergy has a financial interest (equity of return on sales)	8.000	12.800	12.800	SDG 8 SDG9	Business cases (actuals and forecasts) from InnoEnergy assets portfolio



KIC Strategic Objective <i>(i)</i>	Problem/ issue related to the societal challenge <i>(ii)</i>	Societal and economic impact to be created by 2027 <i>(iii)</i>	Impact KPIs <i>(iv)</i>	Targets to be achieved by 2025* <i>(v)</i>	Targets to be achieved by the FPA end year [2027]* <i>(vi)</i>	Targets to be achieved by 2027* <i>(vii)</i>	Relevant UN SDG Targets <i>(viii)</i>	Source of verification (to be completed only for the societal impacts) <i>(ix)</i>
			The value-added of the InnoEnergy KIC, as reported in the financial statements (in MEUR)	100	250	250		Methods developed by EY
SO6: Increase competitiveness of the European value chains	Promoting inclusive, sustainable and green growth	Creating new innovation ecosystems in InnoEnergy field	# Visible innovation ecosystems not previously in existence	100	120	120	SDG 8 SDG9	Business cases (actuals and forecasts) from InnoEnergy assets portfolio  Technote.ai
SO6: Increase competitiveness of the European value chains	Promoting inclusive, sustainable and green growth	Increasing the InnoEnergy sector's competitiveness	Contribution to revenue growth of organizations trading or employing innovations (i.e. innovative services, products, technology or business models developed with KIC support) (in EUR and %)	4.000	5.600	5.600	SDG 8	Business cases (actuals and forecasts) from InnoEnergy assets portfolio
SO6: Increase competitiveness of the European value chains	Promoting inclusive, sustainable and green growth	Creating self-sufficient and sustainable business in the InnoEnergy sector	# and revenue of start -ups and scale-ups supported by KICs trading 3 years after KIC support ceased	300	320	350	SDG 8 SDG9	Business cases (actuals and forecasts) from InnoEnergy assets portfolio